

Herald Tribune

INTERNATIONAL

Published With The New York Times and The Washington Post

The Global Newspaper Edited and Published in Paris Printed simultaneously in Paris, London, Zurich, Hong Kong, Singapore, The Hague, Marseille, New York, Rome, Tokyo, Frankfurt.

No. 33,868

3/92

LONDON, SATURDAY-SUNDAY, JANUARY 18-19, 1992

ESTABLISHED 1887

U.S. Joins Japan to Halt Rise Of Dollar

Surprise Move Meant to Promote American Exports

By Carl Gewirtz and Lawrence Malkin
International Herald Tribune

The United States and Japan moved Friday to drive the dollar down against the yen in a surprise joint action apparently designed to promote U.S. exports and trim Japan's.

The Federal Reserve and the Bank of Japan sold dollars in concerted intervention on currency markets, dealers said. It was the two nations' first concrete attempt to fulfill commitments to spur world economic growth through trade, which they made during President George Bush's trip to Tokyo earlier this month.

"It shows that the U.S. and Japan are prepared to use the exchange rate to limit Japan's rising trade surplus," said David D. Hale, a Chicago-based economist for Kemper Financial who is one of the prominent figures Mr. Bush has consulted recently on ways to revitalize the U.S. economy.

The Bank of Japan began the intervention overnight in Tokyo by buying 150 billion yen (\$1.2 billion). The vice minister of finance for international affairs, Hiroshi Yasuda, then said at a news conference that his ministry wanted to see a stronger yen, which should cut Japanese trade surpluses by reducing exports and making imports more competitive.

He also said Japan and the other Group of Seven industrial countries should set if currency became unstable. The dollar has rocketed up, especially against the Deutsche mark, over the past two weeks.

The Fed joined in intervention against the dollar during the afternoon in New York, and the currency was sent tumbling by as much as 4 yen at one point. It closed more than 3 yen down at 124.45 yen, compared with Thursday's close of 128.27, and at 1,592 DM after Thursday's close of 1,617.2 DM.

The Group of Seven meets next weekend in Washington, and some dealers in New York said they thought the central banks were signaling to them to pay more attention to the meeting.

Friday's market intervention against the dollar came as the currency was already softening as a result of a U.S. government report that the trade deficit for November fell to its lowest level in eight years, partly as a result of strong exports.

Export sales have provided one of few bright spots for the recession-weakened U.S. economy, and currency market operators had been speculating since before the Bush trip that Washington and Tokyo would take action to rebalance trade, which is heavily in Japan's favor.

The overall U.S. trade deficit shrank in November to



McENROE UPSETS BECKER — John McEnroe hanging for a ball Friday in his Australian Open victory over Boris Becker, the defending champion. Page 15.

2 Die in Riots Over Food Costs In Uzbekistan

Clashes Bring First Deaths Since Prices Began to Soar

Compiled by Our Staff From Dispatches

MOSCOW — Thousands of students angered by soaring prices smashed shop windows and fought the police in the Uzbek capital, leaving two students dead and several wounded, according to reports Friday from the area.

It was the worst disturbance — and first deaths — reported since most of the former Soviet republics freed prices on many goods earlier this month as part of a switch from a planned economy to a market one.

Several policemen were wounded in the riot, which occurred in Tashkent on Thursday night, the Russian Information Agency said.

The riots occurred the same day that the authorities of Uzbekistan freed prices and introduced food coupons.

The students broke windows of food stores displaying goods they said were now unaffordable, according to Alfred Baranov, the deputy chief of the Uzbek news agency (Iztao).

They also overturned several cars and threw rocks at the police, the Interfax news agency reported. Student speakers demanded the resignation of the president of Uzbekistan, Islam Karimov.

President Boris N. Yeltsin freed prices in the Russian Republic on Jan. 2, forcing most of the other republics to take similar measures to protect their markets from Russian shoppers.

His action has unleashed fury among shoppers no longer able to afford or find foodstuffs and

goods. Angry Russians have confronted him during visits to several cities since prices were freed.

The students in Tashkent tried to march to the palace of the president, said another Tashkent-based journalist, Anvar Usmonov. He estimated the size of the crowd at 10,000.

The police fired blanks in the air, he said, but when this failed to disperse the students, they opened fire with live ammunition. He added that witnesses reported seeing several people fall to the ground.

The police then dispersed the crowd, using clubs to beat the students and chasing some back to their dormitories, Mr. Usmonov said. At least 100 students were believed to have been arrested.

He said one student died on Thursday and another on Friday from his wounds. Two students remained in critical condition, he added.

Islam Abdulkhalikov, a spokesman for President Karimov, said that the "disturbance" had been sparked when drivers were late in delivering bread to shops. He said he had no information about any victims.

Commonwealth television reported later Friday that Uzbek officials had reduced prices for students in response to the riot.

The report showed the police with riot shields and helmets blocking off a large crowd of student demonstrators.

The mayor and chief prosecutor in Tashkent met with students Friday and promised to deal with their grievances, Mr. Abdulkhalikov said.

"Everything is all right in Tashkent today," he added.

But Mr. Usmonov said students held several rallies Friday and demanded revenge for the previous day's violence. A university president tried to address the students but was shouted down.

The students complained that their stipends have failed to keep pace with the rising prices and that they had not received any food coupons. Without coupons, they are unable to buy many goods in state stores.

Tashkent is about 2,500 kilometers (1,550 miles) southeast of Moscow.

So far, there have been only small, scattered protests in Russia over high prices.

Hundreds gathered Friday in front of the local government building in the Siberian city of Krasnoyarsk, said Vasil Romanov, chairman of Russia's Federation of Independent Trade Unions.

But the republic's largest trade union failed to fulfill threats to bring thousands into the streets across Russia.

Mr. Yeltsin, in a speech to the Russian parliament on Thursday, vowed to smash what he called sabotage of his economic changes. (A.P. Reuters)

Soviet Military Officers Take Up Political Cudgels

By Michael Dobbs
Washington Post Service

MOSCOW — Dismayed by the collapse of a military superpower and angered by degrading living conditions, army officers of the former Soviet Union launched their own political movement Friday in an attempt to prevent the disintegration of the world's largest standing army.

Meeting in the Kremlin, about 5,000 elected delegates representing military units all over the former Soviet Union adopted a resolution warning that attempts to divide the army could have "tragic consequences."

They also voted to establish an elected council to express their concerns to leaders of the post-Soviet Commonwealth of Independent States.

The stormy debate at the Officers' Assembly provided a unique insight into the bitter, almost rebellious mood in many military units following moves by Ukraine and several other Soviet republics to establish their own armed forces. Speaker after speaker called for the preservation of a unified command over the 4-million-strong Soviet armed forces, and several described the dissolution of the Soviet Union in December as unconstitutional.

Tempera became particularly heated after a young officer stationed in the southern Russian region of Chechen-Ingushetia demanded the resignation of the armed forces commander, Marshal Yevgeni I. Shaposhnikov, saying that "he is not on our side."

Marshal Shaposhnikov, widely regarded as a moderate who has attempted to smooth over tensions with the politicians, announced that he was resigning and stormed out of the hall. He was eventually persuaded to resume his seat.

"What do you want me to do? Take a tank and drive on Moscow?" said the former Soviet defense minister in exasperation, explaining that he, too, was in favor of a united army but had to take "political realities" into account.

Leaders of the 11-nation Commonwealth decided at a conference in the Belarusian capital, Minsk, on Dec. 30 to allow individual republics to establish their own national

Russian Deal-Making In a Too-Free Market

By Louis Uchitelle
New York Times Service

MOSCOW — Although there are not yet laws to govern the free market quickly emerging in the Commonwealth of Independent States, contracts are being signed for all sorts of deals as lawyers make up their own rules to cover what is not on the statute books.

The free market, in effect, is not waiting for a legal system. Deals are made on, although the contracts that are bringing new ventures to life might be difficult to enforce. That is particularly true of provisions that assign to a new private company such things as machinery, aircraft or buildings still technically owned by the state.

"Russian businessmen have gone ahead of the law, but goods have to move," said Armen Kazaryan, 38, a broker whose company trades such items as timber, cotton, oil and tires on Russia's not-yet-legal commodity exchanges.

And in that spirit, Russians are signing thousands of contracts, from short-form agreements for the sale of commodities to elaborate documents specifying the terms of joint ventures.

"What we do is write a statute book," said A. James Redway, head of the Moscow office of Coedert Brothers, one of the American law firms that has set up shop in Moscow to earn fees writing such agreements.

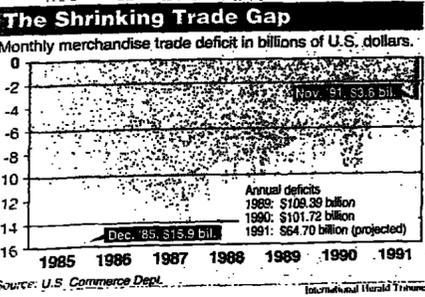
"In New York, you don't have to say that much in a contract because the obligations are clear in laws and in precedent, but here you have to spell out everything."

Even then, two concepts — mutual benefit and trust — have come to play a major role in these early days of Russian capitalism. What these concepts come down to is this: If both parties to an agreement are benefiting from it, presumably they will not break the contract.

But that usually means that both parties have to make money almost from day one. Without solid contract law, it is a rare business executive, Russian or foreign, who is willing to risk investing, say



Thousands of angry military officers gathering Friday in Moscow, where they criticized leaders of the Commonwealth. (A.P. Reuters)



Saddam Now Admits Iraq Was Defeated in War

Compiled by Our Staff From Dispatches

BAGHDAD — Saddam Hussein finally conceded defeat in the Gulf War on Friday, but he served notice that he intended to rebuild his military force and again make Iraq a leading Arab power.

He made his avowal on the first anniversary of one of the most intensive air attacks in history, one that opened the war between Iraq and the U.S.-led multinational alliance that mustered more than 750,000 troops.

The Iraqi president told his nation that Iraqi forces had been outgunned and outnumbered by forces representing "Satan and treachery."

For the first time, Mr. Saddam said that his armed forces, once numbering almost a million and the fourth-largest in the world, had been beaten by the 33-nation alliance that it faced in the war.

"If we see the confrontation within traditional and technological considerations," he said, "then the camp of the faithful was defeated."

But Iraqis, he said, had achieved a moral victory because they had kept their faith.

"Today is the day of pride and glory and their day is worthy of God's wrath," he said, referring to the enemy. "A miracle was attained in this showdown. Faith triumphed over atheism and right triumphed over wrong."

Mr. Saddam left no doubt that he had not abandoned his dream of building Iraq into a regional superpower, an aim he has pursued for the two decades he has effectively held power.

"The wounds in the economy will be healed, God willing, and its prosperity will be everlasting," he said. "Baghdad will continue furnishing the Arabs with skills, science, technology and economic prosperity, as it did in the past."

"But this needs an arm to protect it," he said, meaning an armed force.

He stressed that science and technology must be "coupled with an influential military capability."

Mr. Saddam said that coalition forces carried out 114,000 air raids during the war. The allies

A French Revolution Judge Gives Suspended Jail Term To Male Boss for Sexual Harassment

By Barry James
International Herald Tribune

PARIS — In the first case of its kind involving a long-ignored issue, a supervisor has received a jail sentence for sexually harassing one of his female employees.

Lawyers and feminist groups commenting on the decision on Friday called it a landmark that would have an important effect in workplaces throughout the country.

The court at Lille imposed a three-month sentence on Jean-Paul Droissart, 42, after he admitted harassing a 21-year-old telephone operator by fondling and stroking her. The sentence was suspended.

He lost his job over the affair and is undergoing psychiatric treatment. The judge said the case was hardly "the affair of the century," and ruled that Mr. Droissart had not tried to use his position to threaten the woman's employment.

But the Lille branch of the Union of French Women, which brought the case to court, said the case was significant because it brought to the fore a problem that has long been ignored in France.

Josiane Sion, the union's representative in Lille, said no one had taken the problem seriously before now, and that until recently it would have been impossible to bring such a prosecution. Yet, she said, she knows from her experience of counseling victims that harassment is widespread.

"In our country there is sometimes a tradition of sexual innuendo that means that women who complain about this kind of behavior are often not taken seriously," said Isabelle Lapeyrotte, a lawyer for the union, which has represented women's rights since the end of World War II.

In the years immediately following the war, France legislated equal pay and working conditions for men and women. Although this has not been achieved in practice, there is a tradition — along with the more familiar macho image — of powerful women in the workplace, most recently with Prime Minister Edith Cresson. Her view that British men are unmanly and not interested in women caused something of a scandal last year.

Sociologists say the impulse to tighten the legislation on sexual

Kiosk

7 Die in Ulster Roadside Bombing

LONDON (NYT) — A massive bomb hidden in a roadside culvert blew apart a van carrying construction workers home Friday night in rural County Tyrone, Northern Ireland, killing seven men instantly and injuring seven others. Police sources unofficially blamed the bombing on the Irish Republican Army, although no organization had yet taken responsibility for the explosion.

The workmen were returning from their jobs at a construction project at a British Army barracks near Omagh, about 50 miles west of Belfast.

General News

Two U.S. Army divisions, after 35 years, lowered the flag in Germany. Page 3.

Business/Finance

IBM's growth faltered for the first time in 45 years. Page 7.

Money Report

For investors, health care and biotechnology funds were the stars of 1991. Pages 12-13.

Crossword

Weather Page 2.

For Imelda Marcos, the Shoe Fits Again

By Philip Shenon
New York Times Service

MANILA — To some people, her name may be synonymous with greed and plunder and excess, but Imelda Marcos — the new candidate for president of the Philippines, who calls herself "mother of the nation" — is being greeted on stretches of the campaign trail as a resurrected heroine.

It seems as if no one remembers, or cares, about all those shoes.

At a campaign rally last weekend along the narrow streets of the working-class Manila neighborhood of Ouse, Mrs. Marcos was nearly crushed as she tried to make her way past hundreds of supporters screaming "Imelda-da!"

An old woman in ragged clothes was in tears as she tried to touch the widow of former President Ferdinand F. Marcos, and to grab a few threads of the white lace handkerchief in Mrs. Marcos's right hand.

"We love you, Imelda!" she cried out. "You must be our president."

To a degree astonishing to Filipinos who remember the Marcos government and its rampant corruption and record on human rights, Mrs. Marcos is being taken seriously as a candidate in the May presidential election, the first since the Marcoses were forced into exile in 1986.

Mrs. Marcos, 62, waited in a Manila hotel room one day last week and powdered her face, preparing for a live satellite interview for "Good Morning America."

As technicians adjusted the camera angle and lights in the makeshift studio, Mrs. Marcos explained that she had joined the presidential race in part because of what she saw as the public's fury over the "sick and misguided" policies of President Corason C. Aquino.

"I am so sorry for her and ultimately for the country," Mrs. Marcos said, taking a last look in the mirror before snapping the compact shut and dropping it in her black handbag. "She had all this opportunity. Everybody wanted to give her a chance, and she blew it."

With a political shrewdness that surprises many, who know her reputation only as that of a world-class shopper, Mrs. Marcos says her attacks on the Aquino government have struck a chord with disenfranchised Philippine voters.

None of which means that Mrs. Marcos will be the next president. She fared poorly in

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See ARMY, Page 5

See IMELDA, Page 5

Ex-Leader of Georgia Musters Forces to March on Tbilisi

Reuters
MOSCOW — The deposed president of Georgia mustered armed followers in the west of his country Friday, and the ruling Military Council moved to cut off any possible advance on the capital, Tbilisi.

Georgian officials in Moscow said they believed that up to a fifth of the country supported Zviad Gamsakhurdia, who was driven out of his parliament stronghold by rebel gunmen two weeks ago.

Reports from Tbilisi suggested that Mr. Gamsakhurdia was in Zugdidi, the center of Megreli, his home region in western Georgia.

He returned there Thursday and held a huge rally in the town, according to local radio. The Interfax news agency said that Mr. Gamsakhurdia, who spent over a week in exile in Armenia, had called for an armed march on Tbilisi.

Tass said that Tbilisi was largely peaceful Thursday night. Gunmen fired on a gasoline station, but a curfew was successfully enforced.

Georgi Volsky, deputy chief of the Georgian mission in Moscow, said that Tengiz Kitovani, head of the National Guard, had sent forces to occupy key positions west of Tbilisi to head off any advance.

The National Guard is one of two armed forces that make up the Military Council. Tass said detachments of the other group, the Mkhedroni, had been sent to Kutaisi, also to the west.

"There are Gamsakhurdia supporters in Tbilisi itself and tensions there are running high," an official of the Georgian information center in Moscow said. "But the provisional government is taking measures to make sure armed groups do not come together."

Georgian officials said that Mr. Gamsakhurdia had effective control of radio broadcasts in the west of the country. This could further strengthen his position in an area that voted overwhelmingly for him as president in May.

"Tbilisi radio and television just cannot be heard out there," Mr. Volsky said. "The council cannot get through to the population."

The military rulers command only small forces, amounting to a total of a few thousand irregulars. The loyalty of Interior Ministry troops, who declared support for the council only after Mr. Gamsakhurdia fled, is questionable.

Mr. Volsky said that the former Soviet Army, the only strong and coherent fighting force in Georgia, was maintaining neutrality.

Relations between Mr. Gamsakhurdia and the 200,000-strong Russian-dominated force were always strained. The Georgian president's verbal attacks against the force won popularity at a time of strong anti-Russian feeling.

The Military Council, by contrast, has overturned Mr. Gamsakhurdia's declaration that the army was an occupation force and has moved toward cooperation. Demands that the army withdraw from Georgia are being set aside.

Army officials said they would be capable of restoring order in Georgia, but it seemed unlikely Moscow would sanction their involvement in what could possibly spread into a generalized civil war.



This photo of a Croatian soldier running for cover outside Nova Gradiska was the last transmitted by the British photographer Paul Jenks before he was fatally wounded by sniper fire near Osijek.

Easing the U.S.-EC Aid Feud

Washington Seeks Coordinated Delivery to Republics

By Joseph Fitchett
International Herald Tribune

PARIS — As Washington prepares a conference of about 60 nations on coordinating emergency aid to the former Soviet republics, the Bush administration is trying to avoid bickering with its European partners about who in the West has done the most and who should do more.

Despite White House insistence on restraint before the Jan. 22 and 23 conference, American diplomats say that they would like Washington to react more forcefully in countering European complaints that U.S. aid has been inadequate.

"We actually have delivered more food aid, got more tonnage physically on the ground, than the whole European Community together" in the weeks since the new republics emerged in December, a U.S. official said Friday.

The combined amount of the Western governments' food aid so far is only a trickle of what is needed, but even the small volume handled so far has demonstrated the need for better cooperation, officials say.

At the Washington conference, the Bush administration hopes to win approval for the North Atlantic Treaty Organization to become a clearinghouse for emergency aid, keeping track of what aid is going where and trying to match donors' offers with the needs of different localities.

But the U.S. organizational drive has prompted European officials to accuse Washington of trying to put a U.S. or NATO label on aid that is being largely provided by the EC.

The Bonn government insists that Germany is single-handedly providing the bulk — perhaps as much as 70 percent — of Western aid to the republics.

U.S. officials challenge this interpretation, pointing out that most of Bonn's financial assistance was given in 1990 as an inducement for Moscow's consent to reunification of the two Germans.

"That cannot really count as part of the current Western effort" to relieve acute problems as the newly independent republics shift to free-market economies, a Bush administration official said Friday.

In Bonn, the numbers game about who is shouldering — and who shirking — the load is presented as a new chapter of burden-sharing, meaning every ally's responsibility to contribute fully to Western security.

Certainly Germany deserves credit for the aid it provided to underwrite change in the former Communist bloc, U.S. officials said, including German-financed housing in Russia for Soviet troops from what was East Germany.

But one of them added, "We have not fought back hard enough in insisting the Germans did for their own national reasons and they cannot get credit over and over for the same gesture."

In U.S. eyes, the Washington meeting is not intended for governments to announce new aid pledges.

But an official in Bonn said that "a benevolent interpretation of U.S. intentions is that the administration wants to use the conference to heighten sensitivity in public opinion so Congress will authorize more aid."

U.S. officials insist that the meeting — which will set up task forces on food aid, housing, energy, medicine and technical assistance — is mainly a chance to improve cooperation so that more Western aid can be delivered more efficiently.

The Bush administration has also promised to disclose its thinking about cooperation in controlling nuclear weapons from the former Soviet Union. Until now, European officials said Friday, U.S. policymakers have evaded detailed consultations on the issue, apparently because Washington wants to ensure that aid reinforces efforts to prevent nuclear proliferation.

Already frustrated at not being accorded a larger role in the nuclear question, France does not want the Washington conference to start a process in which the EC foreign-policy initiative to aid the Soviet Union is overshadowed by the United States, with NATO in a supporting role.

Despite French objections, alliance leaders agreed last month in Brussels that NATO should offer its facilities to help in the overall aid effort.

Although NATO would not be visibly involved in the delivery of aid to recipients in the republics, the military organization could gain new political visibility by capably coordinating the overall program.

Germany broke ranks with the rest of the 12-nation community to recognize Croatia and Slovenia last month. A separate dispute is also brewing within the EC over recognition of another independence-minded republic, Macedonia.

Greece objects to Macedonia's independence unless it changes its

Diplomatic Maneuver by Italy

Wary of Germany, Cossiga Visits Croatia and Slovenia

By Alan Cowell
New York Times Service

ROME — President Francesco Cossiga of Italy on Friday became the first European head of state to visit the former Yugoslav republics of Croatia and Slovenia since their recognition as independent states by the European Community on Wednesday.

The visit, in a high-speed armed convoy across the frontier from northern Italy, was depicted by Italian officials as a diplomatic show of resistance to strong German influence in an area where Italy has historical interests, including commercial links, an Italian-speaking minority and what some Italians still call regard as lost territory.

The competition between Germany and Italy, diplomats said, underlined the limits of the European Community's efforts to conduct a joint foreign policy.

Germany broke ranks with the rest of the 12-nation community to recognize Croatia and Slovenia last month. A separate dispute is also brewing within the EC over recognition of another independence-minded republic, Macedonia.

Greece objects to Macedonia's independence unless it changes its

territory to Yugoslavia. While hundreds of thousands of Italians fled back to Italy, a small minority remained. Equally, a minority of Slovene-speakers still live in Italian border areas.

There was no immediate word Friday night whether Mr. Cossiga and Mr. Kucan had resolved a dispute over the treatment of the two minorities.

Mr. Kucan said in Ljubljana on Thursday that he would not sign an agreement on special guarantees for the Italian-speaking minority in Slovenia unless Italy gave the same guarantees to the Slovene-speaking minority there.

But in Italy, which faces elections this year, the Slovene minority plays into a bitter political debate fueled by rightist assertions that the Slovene minority should be given no further privileges.

U.K. Photographer Killed

Paul Jenks, a Briton and a stringer for the EPA photo agency, was hit in the head Friday by a sniper's bullet while crouching in a trench in Tenjki Antunovac, near Osijek, according to an Associated Press photo stringer, Hassan Amin, who was with him. Mr. Jenks died at the Osijek hospital. Mr. Amin said.

WORLD BRIEFS

Shamir Considers Early Elections

JERUSALEM (AP) — Prime Minister Yitzhak Shamir met with his coalition partners on Friday to discuss early elections after two rightist parties said they would leave his government in an effort to halt the Middle East peace talks.

The Mokedet, or Homeland, party announced its intentions on Thursday, leaving Mr. Shamir with only 59 seats in the 120-member Knesset, or parliament. The announcement followed one Wednesday by the rightist Tehiya-Zionist Revival Movement that it would leave the government to protest the peace talks. Both parties plan to formally resign at the weekly cabinet session on Sunday.

The collapse of Mr. Shamir's conservative government means that elections are likely in May or June instead of Nov. 3, as scheduled. Israeli reports said Mr. Shamir said Friday that he would not let Israeli elections interfere with the peace negotiations.

3 Neo-Nazis Are Arrested in Austria

VIENNA (Reuters) — Austrian police have arrested three members of a neo-Nazi group and are questioning six others on suspicion of plotting to overthrow the government, an Interior Ministry spokesman said Friday.

The authorities are investigating another 15 to 20 members of the so-called Trenck combat sports group, he said. It appeared that the group had been financed by rightists in the United States, he added. The police seized a large amount of weapons during raids over the past week. They included a machine gun with laser sight as well as World War II arms.

Somalis Begin to Die of Starvation

NAIROBI (AP) — The International Committee of the Red Cross said Friday that some of the hundreds of thousands of refugees living in camps south of the Somali capital had begun to die of starvation.

"We don't have any figures, but the first cases of death by malnutrition have been reported in camps south of Mogadishu," said Grégoire Tavernier, a spokesman with the Red Cross office in Nairobi. He added that two boats, each carrying 800 tons of supplies, including enough food to provide half rations for the displaced people for about a month, would be unloaded in Somalia on Saturday. Hundreds of thousands of people fled the capital after clan-based fighting broke out there Nov. 17.

Pakistan Affirms Atom Bomb Ability

PARIS (AFP) — Pakistan is capable of building atomic weapons but is concentrating on economic development instead, Prime Minister Nawaz Sharif said Friday after an hour of talks with President François Mitterrand of France.

At the same time, Mr. Sharif said he had not requested the nuclear plant that France promised last year. He said this was because the French government wanted Pakistan "to ensure comprehensive safeguards which for Pakistan today is not possible to accept," unless differences between Pakistan and India on the nuclear issue were settled first.

India Rebuffs Hurd on Nuclear Issue

NEW DELHI (Reuters) — The British foreign secretary, Douglas Hurd, ended talks with Indian leaders Friday with no apparent progress on halting the regional spread of nuclear weapons or resolving conflict in disputed Kashmir.

"I left them in no doubt of the growing anxiety, not only in Britain but across the world, about the possibility of nuclear proliferation," Mr. Hurd said after meeting Prime Minister P.V. Narasimha Rao and External Affairs Minister Madhavsinh Palkavi.

British sources said India expressed no enthusiasm for a U.S. proposal, favored by Britain, for five-power talks about a zone free of nuclear weapons in South Asia. India also repeated its opposition to signing the Nuclear Nonproliferation Treaty.

Bush Urged to Do More for Blacks

ATLANTA (Reuters) — President George Bush courted the black vote on Friday, singing "We Shall Overcome" hand in hand with the heirs of the Reverend Martin Luther King Jr. and hearing them pray that he do more for blacks.

The president, who has slipped in public opinion polls, visited the King Center on what would have been the civil rights leader's 63rd birthday. At a ceremony led by the Reverend King's widow, Coretta, other family members and King disciples, Mr. Bush condemned racism and pledged to "root out bigotry wherever we find it."

He got a cordial welcome but also plenty of notice that such pledges will not be nearly enough if he wants to win over black voters in the Nov. 3 presidential election. In an opening prayer, the Reverend Joseph Roberts said "the president cannot find the way" without divine guidance.

Correction

Hebrew text in a layout describing an exhibition on Jewish life at the Martin-Gropius-Bau in Berlin was photographically reversed in Friday's editions. The Herald Tribune regrets the error.

TRAVEL UPDATE

Ghana said it would end travel restrictions to South Africa and that a direct air link might be established. (Reuters)

About 3.2 million tourists visited Morocco in 1991, a 7.1 percent increase over the year before, Morocco's Tourism Ministry said Friday in Rabat. (AP)

The Weather

Forecast for Sunday through Tuesday

Region	Today	Tomorrow	Today	Tomorrow
	High	Low	High	Low
North America				
Albany	14-22	8-12	17-22	10-14
Albuquerque	6-13	4-8	10-14	8-12
Anchorage	3-17	4-10	4-10	4-10
Atlanta	11-21	8-12	11-21	8-12
Baltimore	12-23	9-13	12-23	9-13
Boston	10-18	7-11	10-18	7-11
Buffalo	10-18	7-11	10-18	7-11
Chicago	10-18	7-11	10-18	7-11
Denver	10-18	7-11	10-18	7-11
Detroit	10-18	7-11	10-18	7-11
Houston	10-18	7-11	10-18	7-11
Los Angeles	10-18	7-11	10-18	7-11
London	10-18	7-11	10-18	7-11
Madrid	10-18	7-11	10-18	7-11
Miami	10-18	7-11	10-18	7-11
Minneapolis	10-18	7-11	10-18	7-11
New York	10-18	7-11	10-18	7-11
Phoenix	10-18	7-11	10-18	7-11
Portland	10-18	7-11	10-18	7-11
San Francisco	10-18	7-11	10-18	7-11
Seattle	10-18	7-11	10-18	7-11
St. Louis	10-18	7-11	10-18	7-11
Tampa	10-18	7-11	10-18	7-11
Washington	10-18	7-11	10-18	7-11
Wichita	10-18	7-11	10-18	7-11
Yakima	10-18	7-11	10-18	7-11
Europe				
Amsterdam	10-18	7-11	10-18	7-11
Berlin	10-18	7-11	10-18	7-11
Brussels	10-18	7-11	10-18	7-11
Geneva	10-18	7-11	10-18	7-11
Lisbon	10-18	7-11	10-18	7-11
London	10-18	7-11	10-18	7-11
Madrid	10-18	7-11	10-18	7-11
Moscow	10-18	7-11	10-18	7-11
Paris	10-18	7-11	10-18	7-11
Rome	10-18	7-11	10-18	7-11
Stockholm	10-18	7-11	10-18	7-11
Warsaw	10-18	7-11	10-18	7-11
Asia				
Bangkok	10-18	7-11	10-18	7-11
Beijing	10-18	7-11	10-18	7-11
Calcutta	10-18	7-11	10-18	7-11
Hankow	10-18	7-11	10-18	7-11
Harbin	10-18	7-11	10-18	7-11
Hong Kong	10-18	7-11	10-18	7-11
Kobe	10-18	7-11	10-18	7-11
London	10-18	7-11	10-18	7-11
Manila	10-18	7-11	10-18	7-11
Osaka	10-18	7-11	10-18	7-11
Seoul	10-18	7-11	10-18	7-11
Singapore	10-18	7-11	10-18	7-11
Tokyo	10-18	7-11	10-18	7-11
Africa				
Accra	10-18	7-11	10-18	7-11
Algiers	10-18	7-11	10-18	7-11
Cairo	10-18	7-11	10-18	7-11
Harare	10-18	7-11	10-18	7-11
Johannesburg	10-18	7-11	10-18	7-11
Lagos	10-18	7-11	10-18	7-11
Nairobi	10-18	7-11	10-18	7-11
Windhoek	10-18	7-11	10-18	7-11
Oceania				
Auckland	10-18	7-11	10-18	7-11
Christchurch	10-18	7-11	10-18	7-11
Dunedin	10-18	7-11	10-18	7-11
Honolulu	10-18	7-11	10-18	7-11
Perth	10-18	7-11	10-18	7-11
Sydney	10-18	7-11	10-18	7-11

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Police Seal Off Key Algiers Mosques

By Youssef M. Ibrahim
New York Times Service

ALGIERS — Algerian fundamentalist leaders called upon their followers Friday for prayers to avoid provoking the army and security forces.

Troops were deployed in strength in the capital and at key points leading into the city on a day when Muslims go en masse to the mosques.

The heavy security measures came on the first Friday prayer day since the government suspended the country's democratic experiment by canceling the second round of national elections.

The Islamic Salvation Front was the clear winner of the first round and was expected to gain an absolute majority in parliament in the second round.

Starting early Friday, heavily armed riot police forces, backed by army troops, assured that Front supporters from outside Algiers would not have access to the city's two principal mosques.

Buses bringing supporters from other towns were turned back at checkpoints so that worshippers could not reach the Kuba and Sunna mosques in the city, traditional Front strongholds. Those allowed to go to prayers had to show proof they lived in the neighborhoods to which the mosques belonged.

The Front's acting president, Abdelkader Hachani, told hundreds of followers at an Algiers mosque: "This regime is going to fall. I ask you for vigilance and to avoid all provocation."

He and other Front leaders confirmed that as many as 500 of the movement's activists had been arrested since Tuesday.

It has become clear that the Front's leadership has decided to shift tactics from one of confrontation with the new military-backed government toward a political alliance with other opposition parties.

Many government officials and fundamentalist leaders suggested that a truce may take hold and last several weeks as both sides assess their chances of weakening one another.

Mr. Hachani also told his followers that the government was looking for a chance to crack down on the fundamentalists and that it was not the time to seek confrontation.

"They want us to bring the people out in the streets so that they can shoot at us," he said. "But we will not give them that chance."

Fundamentalist officials said the movement's unquestioned triumph in the first round of the elections, on Dec. 26, had given it an "unshakable legitimacy."

The officials said they would take some time to explore the effectiveness of striking an alliance with the two other parties that won some of the 231 seats in the first round.

On Wednesday, the political bureau of the former ruling party, the National Liberation Front, and the Front for Socialist Forces indicated they would study forming an alliance with the Islamic Salvation Front to oppose the new government. Leaders of the movements have now met several times.

Papandreou Calls for New Elections

By Marlise Simons
New York Times Service

ATHENS — Andreas Papandreou made it clear Friday within hours of his acquittal on corruption charges that he is aiming to return to government.

Minutes after the high court's final verdict, the former prime minister declared that he was vindicated and demanded elections immediately.

He claimed that his defeat in 1989 was due to a "campaign of lies" and the "conscious deception of the Greek electorate." He mocked his opponents who indicted him in Parliament and brought him to trial as "plotters who failed miserably" and who ought "to be ashamed of themselves."

The 72-year-old politician has never been at a loss for words or political strategies, and it is his resilience, more than the question of his guilt or innocence in a long series of corruption charges, that most impresses Greeks.

In less than three years he has bounced back from open-heart surgery, national indignation over abandoning his wife for a woman almost half his age, and a range of financial scandals that would have deeply buried other political leaders in the European Community.

Yet Mr. Papandreou, living up to his reputation as a masterful tight-rope walker, has not left center stage.

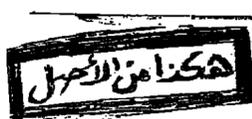
After almost 100 witnesses testified about intrigue and uncertain morality during the Papandreou rule of the 1980s, the populist (former prime minister declared that it was not he, but the Greek people, on trial.

As the verdict drew near last week, Mr. Papandreou and other leaders of PASOK, his powerful Socialist Party, warned that mass demonstrations and civil unrest could result if he were found guilty.

No one doubts that PASOK would have taken to the streets of Athens. But commentators are divided over how much the threat of unrest and possibly riots could have influenced the judges when they narrowly acquitted Mr. Papandreou in a 7-to-6 vote.

In the deeply politicized society of Greece, people widely believe that judges are subject to and responsive to official pressures. In a situation designed to offer rebuttal, the deputy prime minister of the conservative government said after the verdict that "the government had no involvement in the trial because the judiciary is independent."

Yet he also said that Greeks must respect the court decision and "maintain a calm political climate."



Top U.S. General Defends a Budget...

By Eric Schmitt
New York Times Service

WASHINGTON — As General Colin L. Powell revises U.S. military policy to fit a world without the Soviet Union, the chairman of the Joint Chiefs of Staff is running into strong congressional pressure to cut deeper and faster into the Pentagon budget than he would like.

Democratic leaders in Congress have already made it clear that cutting back on money for a few weapons systems while leaving the basic Pentagon budget intact in fiscal 1993 will not be acceptable. But so far that appears to be the kind of effort General Powell has in mind for the budget Congress will start considering next month and will become effective Oct. 1.

In speeches and congressional hearings over the past several months, General Powell has described his strategic vision for the military after the Cold War. It is a smaller force, tailored for rapid response to regional conflicts, like the war in the Gulf. It is a force with fewer American troops serving abroad and fewer nuclear weapons, although still enough to maintain superpower status.

General Powell's conception is reflected in a five-year plan for military spending that calls for a steady but slow decline of about 25 percent by 1995 from the current budget of \$291 billion and a cut in the armed services from their current level of about 2 million troops to 1.6 million by 1995. General Powell contends the plan remains reasonable, even though it was largely drafted in 1990 before the disintegration of the Soviet Union.

As a concession to Congress, he has found some immediate savings that could bring \$6 billion to \$8 billion from the \$292 billion budget that the administration will request later this month for fiscal 1993. That seems

unlikely to satisfy Congress, where members have been talking of cuts in the range of \$15 billion to \$20 billion.

The savings General Powell is proposing would come primarily from the cancellation or contraction of plans to buy several major new weapons systems. In meetings shrouded with unusual secrecy, Pentagon officials say, Secretary of Defense Dick Cheney recently told the military's uniformed chiefs and civilian bosses that the navy's new Seawolf attack submarine will be canceled, saving several billion dollars.

The Pentagon also will aim to build a total of 20 to 25 B-2 Stealth bombers, not 75 as originally planned, with the smaller number nearly doubling the plane's cost to \$2 billion. Congress has agreed to pay for only 15 planes.

The cuts recommended by General Powell and Mr. Cheney will officially be announced in President George Bush's State of the Union Message on Jan. 28. But General Powell's staff has been quietly preparing the new reductions since at least November as the opening gambit of a calculated strategy to counter members of Congress who are seeking deeper, faster cuts.

For General Powell, the objective is to keep control over how fast the armed forces shrink and avoiding the mistakes he says were made in past military reductions.

Until now, General Powell and Mr. Cheney have refused to consider deeper reductions in what they call their "base force" for 1995, defined by General Powell as the "minimum force needed for our enduring needs." Under that plan, the army would reduce to 12 active divisions from 18. The navy would have 12 aircraft carriers instead of 14, and the air force would shrink to 26

wings from 36 wings, with 72 planes in a wing.

This smaller force will be concentrated mainly in the United States with fewer overseas bases. U.S. forces would be designed to respond quickly to regional crises around the world, often using prepositioned equipment. This differs from the current strategy that relies heavily on deploying troops from Europe or Asia to hot spots.

Some Democrats have called for deeper cuts in the troop levels but so far no lawmaker has outlined any detailed alternative to the Pentagon's plan. Some outside experts have suggested cutting the armed forces to about 50 percent of their current level. These views are expected to help shape the debate on the size and strategic aims of the military.

The general's critics argue that his plan took into account the collapse of the Warsaw Pact, but lags behind the momentous changes caused by the breakup of the Soviet Union.

As General Powell prepares for the challenge he is guided by political reflexes as well as by the military's needs.

As the president's chief military adviser, General Powell tells Mr. Bush what he needs militarily. As a former national security adviser to President Ronald Reagan, with an office in the West Wing of the White House, General Powell also knows when Mr. Bush needs some political breathing room on the budget, particularly in a presidential election year.

Cutting expensive weapons, such as the Stealth bomber, saves little money immediately because the plane takes several years to build. But it scores quick political points.

Senior Pentagon officials say that General Powell has also prepared deeper cuts in army divisions, navy carriers and air force wings in case Congress demands more.

U.S. Pledges Its Help in Rebuilding El Salvador

Compiled by Our Staff From Dispatches

SAN SALVADOR — Secretary of State James A. Baker 3d promised Friday that the United States would help rebuild El Salvador, but he told Salvadorans that the success of the peace agreements ending the civil war ultimately rested with them.

"There can and must be no space or tolerance in El Salvador for vigilantes of violence on either the right or left," he said in a speech to the National Assembly on his visit to this Central American country.

Mr. Baker, whose presence in El Salvador was taken as sign that the 12-year civil war was ending, said Thursday's signing of the peace accords in Mexico City was only the first step in a long and difficult process.

He likened the conflict to the American Civil War and expressed confidence that, like the United States, El Salvador would emerge as a stronger, more democratic society.

"Too often, nations lose interest in a region when a conflict has ended and is no longer capturing the headlines," he said.

"Let me pledge to you that we will work with the United Nations and the democratic community of nations to help mobilize political support and resources in order to help translate the hopeful promises of the Salvadoran peace accords into an enduring reality."

Still, he stressed that "ultimately the success or failure of peace will depend on the people of El Salvador."

He argued that the civil war that killed 75,000 people finally ended because Salvadorans grew tired of conflict and compromise were their only recourse.

Now that the agreements are signed, Mr. Baker said, "the dialogue must continue for the fears that separated Salvadorans for a decade of war will not be dissolved outright."

Among the main points of the new agreements were, a cease-fire on Feb. 1, disarming of the Farabundo Marti National Liberation Front by Oct. 31, reduction of the Salvadoran military by half over two years, dissolution of paramilitary groups, liberation of all political prisoners, legalization of the Front as a political party, civilian control over the national police and establishment of a land redistribution program.

(Reuters, AP)

AMERICAN TOPICS

Cooking 'Illiterates' In Nation's Kitchens

Food marketers and researchers say that in recent years Americans' cooking skills have declined precipitously. The New York Times reports, "In the last decade, cooking has evolved into an optional activity, like skiing or playing chess." The Times said. Instead of cooking, people can buy fast food, takeout orders or frozen dishes that can be microwaved.

When many of today's young adults were growing up, women were entering the work force in great numbers and often lacked the time or energy to show their children how to cook. Reinforcing this, says Joan Gussow, a New York nutritionist, was a decades-long denigration of cooking skills, typified by the attitude that "smart women don't cook."

Today, however, with an entrenched recession and a greater emphasis on simple, inexpensive pleasures, home cooking may be making a comeback. To enable readers to test their own cooking intelligence, The Times printed excerpts from a questionnaire issued by the National Pork Producers Council:

How many ounces are there in one measuring cup? (a) four, (b) six, (c) eight, (d) 16.

To retain the vitamins when cooking vegetables, use little water. (a) true, (b) false.

Marbling in meat indicates: (a) tenderness, (b) fat content, (c) freshness, (d) aging.

Answers: c, a, b.

Short Takes

Voters in several states, notably New Jersey and Connecticut, have held mass meetings in recent months to protest tax increases. But in Maryland last week, 18,500 people rallied outside the State House for tax increases to save off further cuts in spending for education and social services. The police said it was the largest State House demonstration in more than a decade. Sponsors included the state teachers' association, labor unions, civil rights groups and the League of Women Voters.

"All we are hearing from the legislators is people don't want taxes," said Susan R. Buswell, head of the Maryland Association of Boards of Education. "We are supportive of taxes."

Two California condors made history this week by briefly taking flight a day after they were released in the wilderness of Southern California's Ventura County. They were the first to fly in a decade-long program to breed them in captivity before releasing them in their native habitat. Although brought to the wilderness last October, they had been prevented from flying by a

net that was kept in place until this week. When the last condor was captured in 1987, only 26 remained alive. Now there are 52.

Women lawyers are certainly free to wear pants suits in court, the ethics committee of the New York County Lawyers' Association decided this week when asked by a law firm to rule on the matter. The chairman, Marjorie E. Gross, declared, "We will not skirt the issue." The final ruling said that "we find it difficult to see how an appropriately tailored pants outfit could diminish the order and decorum of the tribunal, affect the rights of parties or witnesses, or impair the administration of justice."

Although the New Jersey health department has outlawed runny eggs because of fears of food poisoning, the regulation is under attack. "Let us rise up against the hard-boiled bureaucrats who have been coddled long enough and lift this yoke of oppression," implored the state senate minority leader, John A. Lynch, taking the issue over easy. A fellow Democrat, Governor Jim Florio, took the rule slightly more seriously. He said he had asked the state health department to reconsider.

Sign on the First Presbyterian Church in Ulica, New York: TOUGH WEEK! WE'RE OPEN SUNDAY

Arthur Higbee

Yale Weighs 10.7% Cut in Faculty

By Anthony DePalma
New York Times Service

NEW YORK — In what could represent the most substantial changes to Yale University in 40 years, a faculty committee has recommended the elimination or consolidation of several academic departments and a 10.7 percent reduction in faculty positions.

While most major universities are struggling to cut costs, Yale's proposed reductions would be among the most stringent.

The departments of linguistics and of operations research, a mathematics discipline, will be closed outright if the recommendations are accepted by the Yale Corp., the university's governing body, next month.

The sociology department's faculty will be cut by almost 40 percent, three separate engineering departments will be consolidated into one, and the departments of physics and applied physics will be scaled back and then merged.

Administrators claim the cuts, which would be phased in over several years, are crucial if Yale is to

remain competitive. But many faculty members worry that such deep cuts are unwarranted and would damage the university.

"I'm outraged," said Deborah S. Davis, a professor of sociology. "This is unbelievable."

Like most other Yale faculty members, Professor Davis saw a copy of the committee's recommendations in her mailbox Thursday morning, although the contents had been rumored for weeks.

Faculty and staff have a month to comment on the plan, written by the Committee on Restructuring the Faculty of Arts and Sciences. Yale's president, Benno C. Schmidt Jr., and its provost, Frank M. Turner, will consider any revisions, then send final recommendations to Yale Corp., which is expected to accept them. A final decision is expected by the end of February.

Mr. Turner said that Yale was running an \$8.8 million deficit in its \$799 million budget for this fiscal year and would have deficits for the next few years.

Yale has 5,100 undergraduate and 1,500 graduate students. The

committee made no plan to alter undergraduate enrollment but did recommend that the number of new graduate students be reduced. Mr. Turner said classes should not be much more crowded than they are now because the faculty cuts are spread across the departments.

SALES

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Soldiers of the U.S. 3d Armored Division, which has been in Germany 35 years, at the deactivation Friday of their Frankfurt barracks.

... as 2 Army Divisions Leave Germany

By John Tagliabue
New York Times Service

FRANKFURT — In brief military ceremonies, two U.S. Army divisions deployed for decades in the defense of Germany and Europe were bade farewell here Friday, reflecting dramatic dwindling of the United States military presence after the end of the Cold War.

A band was playing under a cloudy sky, and soldiers and their families mingled with American and German officers and diplomats, as cannon roared a 14-gun salute and the army's 3d Armored Division flag was furled by its commander, Major General Jerry R. Rutherford, marking the end of 35 years standing along the front line between NATO and Warsaw Pact.

"The Cold War is over, our mission is accomplished, it's time to go home," General Rutherford, a stocky 30-year army veteran, told a remnant of his troops that formed an honor guard at division headquarters, which will probably soon be transformed into an industrial park by German authorities.

The ceremonies were symbolic, for unlike in the past when entire divisions were shipped back and forth between Europe and the United States, the drawdown is coming about by the reflagging and remaining of gradually diminished units.

When the day was over, however, the 3d Armored and 8th Infantry divisions, once powerful forces in NATO's forward defense, were no more. At a second ceremony, the 8th Infantry was deactivated and its remnants merged with the 1st Armored Division, which is headquartered in Bad Kreuznach, an hour's drive west of here. According to military spokesmen, the army now has 150,000 soldiers deployed in Europe, down from a peak of 230,000. By 1993, when the operation is expected to be completed, about 93,000 will remain.

At Drake barracks, a former German Army encampment that was the 3d Armored headquarters, relics of the last war bear testimony to the division's role in Europe.

On a grassy knoll stand carefully kept Sherman tanks and World War II vintage armored vehicles of the kind soldiers of the unit, which was called into being in 1941 at Camp Beauregard, Louisiana, used when they joined other American, British and Canadian troops at the Normandy landing.

The division's nickname, Spearhead, derives from its role in leading allied forces across northern France and into Germany, all the way to Dessau on the Elbe river. Today, a small band of Dutch citizens from the Limburg region traveled by car to the ceremony.

Each year, representatives of the 3d Armored pilgrimage to the Netherlands to lay wreaths at war graves there, including that of Major General Maurice Rose, the division commander who was killed on the 1944 drive into Germany.

Deactivated after the war, the division was renewed in 1949 and deployed in Germany anew in 1956 at the height of the Cold War, stringing its forces out along the Fulda Gap, across gentle middle German valleys from the armies of the Warsaw Pact.

But the division's recent history illustrates the military's changing role. Last October, one year after the Berlin Wall opened, the division was ordered to the Gulf where in February 1991 it staged a 100-hour drive into Iraq that destroyed three Iraqi armored divisions. Before even all of its forces were returned from the Gulf, the division was ordered dissolved.

But then it could be argued that adjusting to shifting political winds has always been the lot of the U.S. forces stationed here. Since the 1970s army bases were the targets of terrorist attacks in the heyday of Germany's Red Army Faction.

There were regular protests about tanks tearing up fields during annual maneuvers, and in the early 1980s the soldiers were subjected to tense isolation when tens of thousands of demonstrators ringed army installations to protest NATO's decision to station additional nuclear-tipped missiles in Europe.

Through it all, however, opinion polls always showed a broad majority of Germans thankful for the U.S. presence, and today, the Social Democratic premier of Hesse state, Hans Eichel, whose party often appeared uncomfortable in the past with U.S. military might, thanked the soldiers profusely for the "decisive role" their presence played in Germany's reunification.

Among the soldiers who began gathering several hours before the ceremony began was Major Randall (Doc) Scheffler, who fought with the division in Iraq after serving for five years at the Fulda Gap.

"I arrived when the Cold War was still raging," he said, remembering the years when the division stood most of the year in the field at NATO's forward line. "Then the Berlin Wall, then Saddam, and now, nothing."

Since the 3d Armored returned from the Gulf last summer, 6,000 soldiers and their families have been sent back to the United States, many of them to seek jobs outside the army in an economy wracked by recession. But for German regions losing the troops, the blows will be equally harsh. The army employs more than 50,000 German civilians, and by the middle of the decade that number will drop to about 33,000.

"Just go up around Heidelberg or Kaiserslautern, and you'll see how hard it will be," said Hermann Schultz, who has run a handful of fried chicken shops near American bases since the 1960s. American soldiers and their families filled the booths in Mr. Schultz's store across from the Army's 5th Corps headquarters, but the 72-year old entrepreneur said he felt "lousy."

Study Links Gel Implants To Autoimmune Diseases

By Boyce Rensberger
Washington Post Service

WASHINGTON — Medical researchers at the University of Texas say they have discovered the first direct evidence that the human immune system can make antibodies that attack the silicone in breast implants.

The findings, which did not become widely known when they emerged in the 1980s, add credence to growing suspicion among physicians that silicone gel breast implants can trigger the immune system to make antibodies against them, which then go on to attack the body's own tissues.

The antibodies that attack silicone were found in 79 women who had breast implants and also were suffering from various autoimmune diseases.

It is well known that self-attacking antibodies can cause rheumatoid arthritis, a painful joint disease; scleroderma, a thickening and hardening of the skin; and lupus erythematosus, an inflammatory disease that causes a wide range of symptoms.

All three, as well as other diseases, have been reported in women with silicone gel implants over the past eight years.

Because the linkage to breast implants has been largely anecdotal and because there were no epidemiological studies comparing women who had implants to those who had not, many in the medical community have been reluctant to take the allegations seriously. The antibody findings, if confirmed, would begin to provide a solid biological basis for the linkage.



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Herald Tribune

The Presidential Mouth

George Bush long ago made himself famous for his tin ear in speech. Once he told reporters that "I hope I stand for anti-biography, anti-Semitism, anti-racism," prompting Governor Mario Cuomo of New York to express relief that the president had not gone on to offend Italians, too, by saying he was anti-pasta.

Band, he unaccountably referred to the "Nitty Nitty Gritty Great Bird." At times, however, the verbal lurches cannot be laughed off so easily, when the president of the United States talks, people listen. They were listening when he also said in New Hampshire, "I've known this economy is in a free-fall. Maybe I haven't conveyed it as well as I should have, but I do understand it."

A Job in the Balkans

The old, familiar Yugoslavia is finished, but the war in Yugoslavia is not. This is the precarious result brought about by the European Community in recognizing the break-away states of Slovenia and Croatia. The Germans led the way to recognition, claiming that only this course would sober Serbs and halt their onslaught on Croatia. Mainly to serve their newly embraced goal of political unity, the other EC members belatedly and more or less reluctantly went along.

and Croatia for having lost a third of its territory and paid terribly in blood and treasure in the pursuit of independence. A 15th century, organized by the United Nations, is so far holding. The United Nations necessarily demands that guns be silent before it orders in 10,000 mostly European peacekeepers to replace the forces of both sides in contested areas. With these troops in place, incidents and guerrilla activity might continue, but the possibility of large-scale explosion might recede. That would leave open the crucial question of what the internal borders of the new states should be. The EC supports the just principle that the prewar borders can be changed only peacefully. Since it has no mandate to enforce that principle, however, it is reduced to suggesting that peacekeepers be left in disputed areas for the many years it may take the deeply embittered parties to make their own peace.

Cool It, New Yorkers

In recent days, New Yorkers have been disgusted by several particularly repulsive crimes. A black brother and sister were attacked by four young white men and squirted with a white liquid. A 15-year-old white girl was raped by a black man. An 11-year-old boy was abducted and raped by a man who says he has the AIDS virus.

evidently arose from more than one motive. The Jan. 6 incident was clearly a bias crime, as was the subsequent smearing of white paint on a 12-year-old Hispanic boy by three white youths. But the police put the same "bias" label on an unsuccessful robbery attempt on Tuesday, when three black youths said "What's up, white boy?" and tried to snatch a gold chain from a young Hispanic boy. Was his motivation — or the desire for the chain? Similarly, was race the motivation in the rape of a young white girl in Brooklyn by a black man, or were other sick compulsions at work?

Other Comment

South Africa and Its Debt Foreign debt has come to rank alongside inflation and unemployment as one of the most pejorative terms in the domestic economic lexicon. South Africa's vulnerability as a foreign debtor allowed financial sanctions to be imposed. Local interest rates have been so high for so long to preserve the current account surplus that enables foreign debt to be repaid. Foreign debt repayment seems to have been accorded top priority by the authorities ever since the rearrangement of repayments in 1985.

ment, to follow the third such arrangement with foreign creditors which expires at the end of next year, is all it will take. Representing an increasingly independent central bank, Mr. Stals has secured manageable terms and bolstered foreign confidence in the authorities' commitment to economic discipline. The idea has never been to pay off all foreign debt and not to owe fickle foreigners anything anymore. South Africa's foreign debt problem has not been one of solvency but one of cash flow. The problem arose through a bunching of short-term maturities which were suddenly denied the customary refinancing. South Africa stands on the threshold of its next economic upswing with a good image among international institutions and favorable debt ratios that actually invite further lending to South Africa at a time when the country will need it most.

Israeli Choice: Settlements or Immigrants

By Anthony Lewis

JERUSALEM — Russian immigrants gather every day outside the Ministry of Immigrant Absorption, on Hillel Street in Jerusalem. They read the notices in Russian pasted on the wall of the building. They vent their frustrations to each other. Most of them are highly educated people who had good jobs in the former Soviet Union: engineers, economists, scientists, doctors. Now most are unemployed, and anxious.

Galina Orman came to Israel in August from Gorky, where Andrei Sakharov was kept for

They are moderate people. They want peace. They want their children to have piano lessons.

years. A well-dressed woman with dark hair and high cheekbones, she is 47 and looks much younger. "Yes, people tell me I look no more than 40," she said when we talked through an interpreter. "But that hasn't helped me find a job. I can't even find dirty work. I'll do anything, but I haven't tried washing floors yet. (Another woman, who has a piano teacher, does wash floors.)" In Gorky, Mrs. Orman was a journalist. She does not expect to do that here — she is just beginning to learn Hebrew. She says she would like to take care of old people.

recent immigrants. They can stay there for a year and a half, and they get money for subsistence.

The worry, the desperation in her voice, is for her daughter. She is a ballet dancer, and the arts school she attends costs nearly \$1,000 a year in tuition — which is half-price for immigrants. There are books and private lessons to pay for, and no job. "It's going to tell on our children," Mrs. Orman said, "and they are the reason we came. We are in the gutter. We are beggars."

Galina Orman's situation is special; every one of the Russians outside the ministry has his or her own story. But the job problem is general. More than half the recent immigrants are unemployed. The challenge of providing jobs for the Soviet immigrants is colossal. Nearly 400,000 have come since 1989, to a country of only 5 million. But it is also a tremendous opportunity. The Zionist dream was to provide a country for all the world's Jews who wanted to come, and these people could add greatly to Israel's culture and industry and creativity.

Bush Prepares a Hard Line Against Settlements

By Leslie H. Gelb

NEW YORK — George Bush has a mega-job in store for Yitzhak Shamir. The president seems ready to let the prime minister know that Israel will have to make a choice, between more Israeli settlements in the occupied territories and U.S.-backed multi-billion-dollar loan guarantees, between pleasing thousands of right-wing settlers and helping resettle hundreds of thousands of Soviet immigrants, between bad and good relations with the White House.

formula in a bill devised by Senator Patrick Leahy, chairman of the Senate foreign aid subcommittee. The Leahy formula was to divide Israel's request for \$10 billion in guarantees into annual bites, beginning with \$2 billion, and to deduct from that amount Israeli spending on settlements in the occupied territories. In other words, if Israel were to spend \$400 million on those settlements this year, it would receive only \$1.6 billion in guarantees.

Cries from the Outside Challenge Western Society

By Flora Lewis

ROME — Algeria presents a moral and philosophical dilemma which goes well beyond the political issue of democratic norms and, indeed, well beyond Islam. Post-Communist Europe, too, is beginning to wonder about social purpose. The Algerian Islamists were open about their intention to use power won at the ballot box to abolish the constitution. "There is no constitution but the Koran" was a slogan. They saw no room for opposition parties, minority or other rights not consecrated by religious authority. By definition, the laws of God cannot be repealed. So the army in effect made a coup, serving notice to all the politicians that it will not risk democracy now.

At this stage, people in the ex-Soviet Union and Yugoslavia seem to be filling the gap of social cohesion — whether it was sustained by force or by self-deception — with militant nationalism. That, too, is destructive, but it highlights an emptiness. Even in Germany, which has fulfilled its national sovereignty and has full access to Western energy and resources, material promise has not relieved bitterness. Kurt Biedenkopf, the West German Christian Democrat who is premier of Saxony, said it is clear that the East Germans will not catch up for well over a decade and that they are bound to start asking themselves, "Is economic growth the purpose of Western society?"

Eastern Europe Needs More Than New Economics

By William Pfaff

ROME — The market economy is an economic mechanism which obeys its own imperatives. It has no internal ethical code; it is a machine for making, buying and selling. In the old and experienced capitalist countries the market is constrained by law and professional regulations, and beyond that by what people long accustomed to this way of running their affairs understand to be the rights and wrongs of doing business. The system is regularly abused, but we know how to handle the abuses.

might launch the re-Christianization of the Western countries, which he sees as today dominated by largely materialist values, a sterile consumerism, robbed of the spiritual dimension of existence. To many, if not most, in the modern West, the Pope's version of Catholicism is too conservative, his Christian morality too unyielding, to make him a comfortable presence. But many in the ex-Communist countries have recognized the pertinence of his moral preoccupations. However bad the economies in their countries, the moral landscape there in communism's aftermath is far worse. Disincense produced a superb and selfless moral resistance in many places. But communism devastated vast regions of the common life, making people into liars, time-servers, thieves, spies and betrayers of their neighbors. Evidence of this is the drama in Czechoslovakia and East Germany concerning the revelation and punishment of those who collaborated in the past with the Stasi and the Czechoslovak secret police.

Arguments Now Among Old Friends

By Stephen S. Rosenfeld

WASHINGTON — Most of America's foreign policy problems and battles are now with more or less democratic governments. The most obvious difference this makes is to shift the basic American foreign policy agenda from issues of nuclear survival, containment of Communist expansion and national constancy to issues of the global economy, world order and the natural environment. There is also a subtle change in style flowing from the fact that confrontation, with adversaries has been replaced by a requirement for cooperation with ideological companions and look-alikes. A whole different set of maneuvers, incentives and pressures must be applied when you are trying to work something out with a friend.

The new terms of tension among democracies were also on view in President George Bush's recent trip to Japan. With strategic issues now subordinated to the imperatives of an increasingly bitter and open trade war, each country tried to shift to the other the obligation of not making the overall relationship hostage to its particular economic claims. Each sought to establish its domestic priorities as a given, compelling the other side's accommodation.

would be forced to define exactly what territories the law applied to, possibly including East Jerusalem. Mr. Shamir and his allies need no lectures on the settlements, Palestinian self-rule and the importance of Soviet immigration. They know it all. But one point does not seem to have registered: Americans are becoming ever less willing to go along with their policies toward Palestinians. It is not that Americans trust Palestinians or are blind to their hatred of Israelis and to the risks of peace. Rather, U.S. leaders of all political stripes believe that Israel must make a full-faith effort to explore the possibilities of peace. Above all, that means suspending new settlement.

At this stage, people in the ex-Soviet Union and Yugoslavia seem to be filling the gap of social cohesion — whether it was sustained by force or by self-deception — with militant nationalism. That, too, is destructive, but it highlights an emptiness. Even in Germany, which has fulfilled its national sovereignty and has full access to Western energy and resources, material promise has not relieved bitterness. Kurt Biedenkopf, the West German Christian Democrat who is premier of Saxony, said it is clear that the East Germans will not catch up for well over a decade and that they are bound to start asking themselves, "Is economic growth the purpose of Western society?"

1992: Enterprising Idea

PARIS — "I am beginning to lose faith in American enterprise," said an official of the Department of Agriculture yesterday [Jan. 17] afternoon. "Some time ago we sent a special agent abroad to let the European people know something of American corn. He spent several months in England and Scotland. He gave samples to the various cookery schools. He showed them how to cook it and how to eat it. The result has been a demand for this article. You would think that some enterprising American firm would have opened up a connection with Great Britain to supply the demand. But nothing of the kind has been done."

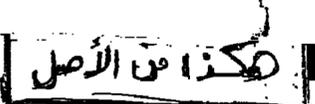
1942: Fighting in Bataan

WASHINGTON [From our New York edition:] General Douglas MacArthur's American and Filipino forces were fighting desperately today [Jan. 17] against heavy odds in the Bataan Peninsula as the Japanese launched their drive to clear the Luzon Island of its defenders. The War Department stated that a "heavy" Japanese infantry attack well supported by aircraft and artillery was in progress against the right flank of American and Filipino troops.

1917: Flashy in Detroit

DETROIT — There isn't a hod carrier in this city who would be surprised to behold traffic police-men in uniforms of cloth of gold. There isn't a washerwoman in the county who

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International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France. Tel.: (1)46.37.43.00. Telex: Advertising, 613295; Circulation, 612832; Editorial, 612718; Production, 630698.
Directeur de la Publication: Richard D. Simmons
Chairman from 1958 to 1982: John Hay Whitney
Editor for Asia: Michael Richardson, 5 Canterbury Rd., Singapore 0511. Tel: 472-7768. Telex: RSS0928
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Miyazawa Rejects Quick Tariff Cuts For South Korea

SEOUL — Prime Minister Kiichi Miyazawa of Japan refused Friday to consider immediate tariff cuts on South Korean exports...



Anti-Japanese protesters demonstrating in Seoul on Friday.

assault and Korea was the victim. Regarding the issue of "comfort girls," he said, referring to the Korean women, "I cannot help feeling acutely distressed."

IRAQ: Saddam Now Admits Defeat but Pledges to Rebuild Military Force

(Continued from page 1) said they flew 109,876 sorties, 60 percent by the U.S. Air Force. "In this insolent aggression, they dropped on Iraq its armed forces, its children, women and elderly, the equivalent of 108,000 tons of explosives," he said.

The Kuwait Interior Ministry accused Iraq on Friday of continuing to violate UN ceasefire resolutions. "The Iraqi regime is still pre-empting in implementing international resolutions, including those dealing with border demarcation and the release of more than 2,000 detainees," the Kuwait News Agency quoted a senior official as saying.

ARMY: Soviet Officers Are Organizing to Preserve Unity in the Military

(Continued from page 1) armies. At the same time, they decided to preserve unified control over "strategic forces." Ukraine insists that the term "strategic" should be restricted to nuclear forces, while Russia argues for a much broader interpretation...

would revive the white-and-blue czarist naval ensign that it flew prior to the 1917 Bolshevik Revolution. "As Russian president elected by the people, I appeal to you to preserve civic calm," Mr. Yeltsin said.

The Monster of Astronomers' Dreams?

By Kathy Sawyer Washington Post Service ATLANTA — The Hubble Space Telescope has unveiled exotic fire scorching at the rim of what scientists say is almost certainly a "supermassive" black hole.

ings, which were announced here at a meeting of the American Astronomical Society, made "more and more credible the idea that quasars derive their energy from black holes."

He added, "This is a very, very important advance." M87, a football-shaped collection of up to a trillion stars, is bright enough that it can be seen in amateur telescopes.

Candidate Dismisses Old Rumors

The Associated Press DEDHAM, Massachusetts — A candidate for the Democratic nomination for president, Bill Clinton, on Friday dismissed tabloid reports of unsubstantiated rumors that he was a womanizer.

IMELDA: The Shoe Fits Again

(Continued from page 1) opinion polls taken just before her entry into the race. But even if her presidential attempt fizzles out, Mrs. Marcos may still emerge as the election's kingmaker...

Gunmen Kidnap U.S. Executive In Philippines

New York Times Service MANILA — Gunmen abducted an American executive in Manila's financial district Friday morning, prompting the U.S. Embassy to advise Americans to take security precautions.

IMELDA: The Shoe Fits Again

(Continued from page 1) Mrs. Marcos was allowed to return from exile not out of any sense of charity by the Aquino government, but to face scores of tax fraud and corruption charges brought by Mr. Chavez and his team of prosecutors.

HARASS: A French Revolution

(Continued from page 1) harassment comes from two directions — firstly from the women's movement in the United States and secondly from the need to bring French legislation into line with that of other countries in the European Community.

Gunmen Kidnap U.S. Executive In Philippines

(Continued from page 1) Mr. Barnes has been in the Philippines for more than four years. His company operates two geothermal plants, both in areas where the Communist New People's Army is active.

RELIGIOUS SERVICES

- AMSTERDAM: CROSSROADS INTERNATIONAL CHURCH... BRUSSELS: INTERNATIONAL BAPTIST CHURCH... BUDAPEST: INTERNATIONAL BAPTIST FELLOWSHIP... DARMSTADT: DARMSTADT BAPTIST MISSION... DUISBURG: CHRIST CHURCH (Anglican) S.S. and Services... FRANKFURT: CHRIST THE KING (Evangelical/Anglican)...

U.S.A. SUMMER CAMP GUIDE

Exploration '92: A Coed Summer Program at Wellesley College to Encourage Personal Growth and Love of Learning. French Woods: Festival of the Performing Arts on a Private Lake in Hancock, New York. The Horse People Inc. ASA Academic Study Associates Summer Programs at Amherst, Lehigh, Oxford, Stanford. National Camp Association Camp Advisory Service. Camp Skunk Woods. Brown ledge. Piano and Full Camp Program.

ART

Saturday-Sunday
January 18-19, 1992
Page 6

Mantegna: The Art Is Like the Man

LONDON — Sardonic, sharp-eyed, curious about the past and distant cultures, obsessed with detailed accuracy, in love with objects if not his fellow humans: Few artists outline their own profile with such clarity in their own oeuvre as does Andrea Mantegna, arguably the most unconventional Renaissance artist.

Until April 5 at the Royal Academy, 154 paintings, drawings and prints project a renewed vision of

SOUREN MELKIAN

an artist as famous as he is little known in reality. The man was everything — a painter, the inventor of printmaking as an art form, a sculptor and probably a silver designer. He was passionately interested in scripts and, in later life, painted miniatures in manuscripts. Underlying it all was a fascination with the sharp edges of stone, in nature or in the ruins of ancient Rome, which left a unique imprint on his oeuvre as a whole, not just as a motif but as a fundamental part of his aesthetics.

Much of all this was probably determined in early childhood. Mantegna was the son of a village carpenter from whom he may have acquired the feeling for hewn form. He must have been very young, in his early teens at most — his birthday around 1430 or earlier is not known — when he arrived in Padua to spend six years as an apprentice in the studio of the leading master in town, Francesco Squarione. Relations became strained after a while. In his catalog essay, Keith Christiansen paints a vivid picture of a talented teacher but poor practitioner, as may be judged from his two surviving works. Ambitious, Squarione kept raising the status of his studio and accepted pupils by the dozen — 137 by his account — some of whom took him to court for being unable to deliver the training he boasted to be giving in "true perspective."

Mantegna, who had become the dominant figure in the studio, broke off abruptly in 1447 while

Squarione was away in Venice. The year after, Mantegna and three fellow painters were commissioned to decorate the funerary chapel of Antonio degli Ovetari in the Church of the Hermits. Christiansen says that the project, which took years, "changed the course of painting in Northern Italy." A black and white record and fragments are all that remain of the chapel smashed by American bombs in 1944. The scene of "St. James Led to the Execution" reproduced in the catalogue reveals something entirely new in Western art — a sense of drama conveyed by the architectural setting at least as much as by the figures. A fragment of a seraph painted within a trompe l'oeil oval frame is in the show. It illustrates the strikingly sculptural handling of the lost frescoes, which must have applied to the St. James scene.

Yet, in the preliminary study for St. James in pen and brown ink — clearly a first idea, as David Ekserdjian, guest curator for the drawings section, notes — everything is different. It is done in quick, precise strokes, catching the swaying movement of a crowd. A ferocious character is half-beat, with both hands pressed on his thighs and his face a mask of obtuse rage as if about to blurt out some taunt at Josiah, who has thrown himself at the feet of St. James. He typifies Mantegna's psychological insight.

On the back, another sketch concealed by the paper on which it was mounted was discovered by Ekserdjian and is visible again for the first time since the 18th century. The face of a man shown three-quarters with open lips, beetle brows, and bags under the eyes, was done with the tip of the brush in a few minutes in a manner otherwise unknown. One would never know this is by Mantegna if it were not scribbled on the back of an established drawing, Ekserdjian remarks.

The British art historian throws out the tantalizing suggestion that this might be a self-portrait. Yet, one may observe that it is clearly



Pen and brown ink drawing of a bird catching an insect.

inspired from an ancient Roman theatrical mask. Nothing could better illustrate Mantegna's uncanny aptitude at blending such contradictory elements as a classical reminiscence and human emotion at its most intense — the sketch could be titled "The Scream."

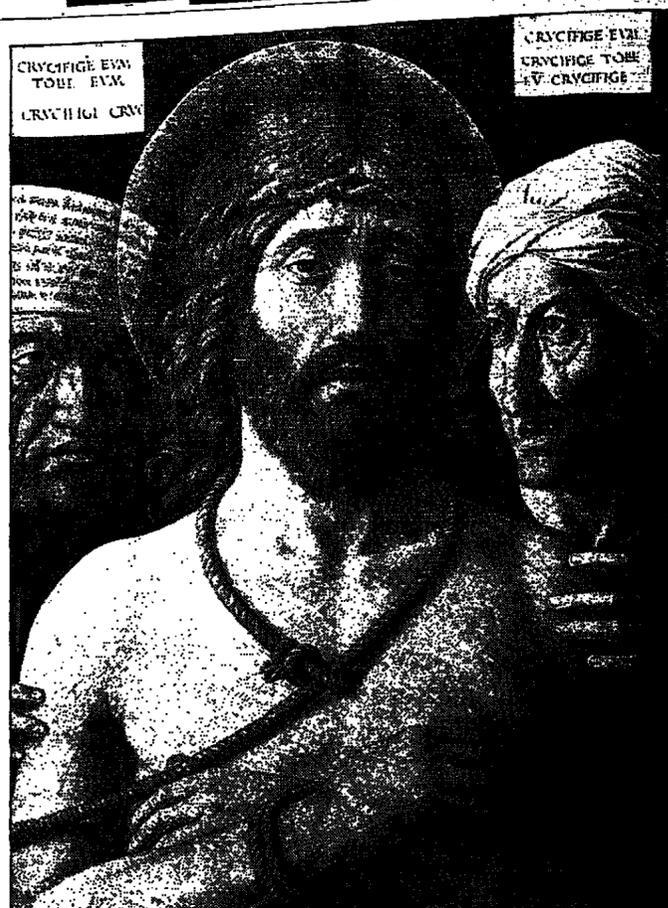
Another discovery of Ekserdjian's happens to highlight this synthesizing mastery. He demonstrates that "The Risen Christ Between St. Andrew and Longinus," a drawing in brown ink preserved in Munich and neglected for decades as a copy, is from Mantegna's own hand. In it, Jesus has the eyes and mask of a Hellenistic marble head, which creates a restrained but powerfully dramatic effect.

In the greatest works, the sculptural influence is more subtle. In the portrait of a man, from the Uffizi, one of the most unforgettable masterpieces from Renaissance Italy, it is betrayed by the monumentality of the posture and the stony hardness of the profile. The absence of frills and background, remarkable from an artist who could go to extreme lengths of detail, is equally typical of the sculptor's approach. The same is perceptible in the "Virgin and Child" from Berlin, done in 1465-1470. Here too the artist concentrates on essentials as few did in his time. This is all about volume and a young woman's immeasurable sadness.

At the other extreme, the nine huge tableaux on "The Triumphs of Caesar," while accumulating the quintessential sculptural feel that makes Mantegna so different from his contemporaries. Every form has a depth and legibility that never gets lost, except through damage. His passion for objects, metalwork particularly, is reflected in "The Corslet Bearers," where ewers, urns, bowls and beakers as well as the helmets and cuirasses, could have been (and perhaps were) designed by a practicing craftsman.

I am convinced the attraction to stone and chiseling is what induced Mantegna in the first place to turn his attention to printmaking. David Landau, the specialist who organized the first systematic exhibition of Mantegna's prints in Oxford 10 years ago, stresses that until his time the art did not rise above the level of conventional pious images of little quality and ornamental models for craftsmen.

The print historian takes the viewer through the progression that started in the mid-1460s and stopped a decade later when Mantegna lost interest. From one state of the "Entombment" done only in dry point, to the next, which combines drypoint and engraving with a burin, the drawing gains in crispness and richness of the tonality. This amounts to greater sculptural perfection.



Mantegna's "Ecce Homo," in distemper and gold, in Royal Academy show.

Mantegna abandoned the art once he had mastered it. But the art never really left him. His later paintings in grisaille are often curiously reminiscent of engravings. The toning in two wonderful black chalk portraits "attributed to" the artist in the catalogue, datable in

the 1480s, bears witness to the artist's experience in combined drypoint and engraving. Ekserdjian is now confident that his caution in "attributing" the works is no longer required. Seen in the context of the exhibition, he says they leave no doubt that they are by Mantegna.

Throughout the show, the viewer gets this sense of being guided by a thread through the multiple facets of the Paduan master, as in some exploration of a master's innermost thoughts. It has to be seen several times, but even at the end, the story is not fully unraveled.

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MILAN FASHION

Armani, Head and Shoulders Above the Rest

By Suzy Menkes
International Herald Tribune

MILAN — There is men's fashion in Italy — and then there is Armani. Even in a good show season, the Armani style still stands head and shoulders above the rest, because everything the designer makes is for the real world. The flamboyant costume-party look that hovers over Milan menswear — biker leather, mad-for-plaid jackets, alpine sweaters and Uomo on the range — is ignored at Armani. Or, rather, these influences are absorbed as a counterpoint to a sweeping theme, which is the comfort and confidence that comes from incisive cutting and fantastic research into fabrics.

Take the Armani suit. It is no longer built from the shoulders but ripples instead from the shoulder blades — a fine glen plaid or bird's-eye tweed in a gamut of grays. The models came out with the suit buttoned right up to the neck, giving a hint of the 1940s urban male.

The suit opened to show a shirt in a small dark print, or a tie matched the shirt, which made a fresh statement with accessories. Armani was also showing something else: a thoroughly modern play on dressing up and dressing down. The show, which included both his lower-priced Emporio and Jeans lines, was dominated by tailored jackets. But

the classic divisions of formal and casual wear were broken down, by showing a suit with a polo collared knit or baggy track pants with a sports jacket.

Armani has an uncanny ability to stay inside his minimalist bunker yet reflect the mood of the street where mixing is a big story. Armani played with fabrics, putting a thick herringbone vest and jacket with lightweight pants. At the same time, there was a shadow-play of light and dark, a beam of bright white shirt or pale pants against gray. When he introduced current fashion themes, it was just a quartet of mountain sweaters or ethnic blanket coats.

The show was perhaps a trifle too long. Yet every garment was perfectly judged. "Three hundred pieces — so I had to make the boys walk quickly to get it all out!" said Armani at the dinner he gave after the show in the sleek Santini restaurant, with Ornella Muti beside him wrapping her pouting mouth round the risotto. The real star of the show — Giorgio's 22-year-old nephew Andrea — was missing. Andrea's mother, Rosanna, in a dark pants suit below the familiar surf-white Armani smile, said her son was having an early night after closing the Armani show in a white T-shirt and jeans — a simple outfit on a simple young man that expressed perfectly — even movingly, Giorgio Armani's fashion vision. Gianfranco Ferré showed a



Armani's shadow play of light and dark; Gigli's porridgy tweed.



strong and luxurious menswear line — made into vests or bags. Although this menswear line is only two years old, Ferré succeeds in making its discreet luxury seem a vintage collection.

Byble was off to the Alps with the first half of the show all in winter whites; mountain sweaters the color of Swiss cheese, tweed jackets the texture of muesli and soft blanket-stitched cardigans. Taken together with bold plaid suits and Mozart-printed bathrobes and vests, it was stagy. But individual pieces were dashing, from the pea jackets with western fringe, to thick-knit gilets over cowboy shirts and big Icelandic sweaters. Mario Valentino's leather was also given the mountain feel, with its aviator and Canadian lumberjack looks and a suede jacket printed with polar bears.

Missoni is about patterned knits, which also look their best as individual pieces, like a rainbow of random color on a gilet or molehill texture on a chunky cardigan. "We always think of ourselves as artisans," said Rosita Missoni. "The pleasure is

playing with pattern and ideas." While all the designers in Italy are talking about prices, Laura Biagiotti has brought down the cost of her cashmere. As well as showing her menswear line of plaid, tweed and knit, she launched a new Milan store selling cashmere in a wide range of colors at prices one-third less — an idea she plans to take to New York.

The new proportions for men's fashion have brought back the knee-length coat and the pea jacket. Both were well done at Gucci, which has succeeded in living up to the classic look while keeping a sense of despatch luxury in its puff-quilted black leather vest, in a furrowed country sweater in six-ply cashmere and by making Gucci loafers in ostrich.

DOLCE E GABBANA take their inspiration from outsiders: Sicilian bandits or rebel-without-a-cause James Dean. The result is modern machismo, a short square vest or long shirt-jacket over narrow pants. This is a show where the way the clothes are shown — a honeycomb sweater tucked into a tough-guy belt at the front, or a tie eased at the neck — makes a statement as strong as the clothes.

Romeo Gigli can be credited with defining the silhouette of current menswear: the three-buttoned single-breasted jacket, with high-buttoned vest and narrow pants. Gigli made jackets in porridgy tweeds and showed them with floppy bow ties that gave a formal Edwardian air that was retro but charming. The following day, he reintroduced his G-Gigli secondary line into the fast lane, showing in a military-camp-carpark whites in dark colors among a bunch of fire-eaters who did their best to set the fashion world alight.

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Room 1 at 2 p.m. ATELIER Guy BERMOND - MILLON-ROBERT, 19 rue de la Grange-Baudière, 75009 Paris. Tel: (1) 48.00.90.44 - Fax: (1) 48.00.90.44.

Tuesday, February 4
Room 8 at 2 p.m. FURS. MILLON-ROBERT, 19 rue de la Grange-Baudière, 75009 Paris. Tel: (1) 48.00.90.44

Wednesday, February 5
Room 1 at 2.30 p.m. MODERN PAINTINGS including 66 drawings by Ferdinand DESNOS - BRIEST, 24 avenue Maingon, 75008 Paris. Tel: (1) 42.68.11.30 Fax: (1) 42.68.11.27.

Friday, February 7
Room 2 at 2 p.m. PRIMITIVE ART - MILLON-ROBERT, 19 rue de la Grange-Baudière, 75009 Paris. Tel: (1) 48.00.90.44.

Sunday, February 16
Room 16 at 2.30 p.m. IMPORTANT ABSTRACT AND CONTEMPORARY PAINTINGS including Antan, Aïan, Borzo, Calder, Cimenzoni, Dubuffet, Hélon, Holer, Kounellis, Klein, Kruger, Langley, Lipiçac, A. Mazon, Maza, Mira, Neumann, G. Noel Peslier, Jackson Pollock, Saura, Schneider, Stella, Tapes. Exhibition at the auctioneer's office from Monday, February 10 to Friday, February 14 from 10 a.m. to 1 p.m. and from 2 p.m. to 9 p.m. Exhibition at Drouot: Saturday, February 15 from 11 a.m. to 6 p.m. and Sunday, February 16 from 11 a.m. to noon. Catalogue on request at the auctioneer's office, 100 FF LOUDMER, 45 rue La Fayette, 75009 Paris. Tel: (1) 48.78.80.89. Fax: (1) 48.78.80.80.

COLLECTOR'S GUIDE

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هكذا من الأصل

MARKET DIARY

Blue Chips Finish At A Record High

NEW YORK — Blue chip stocks reached new highs on Friday, buoyed by a burst of new buying following Thursday's minor profit-taking correction.

The Dow Jones industrial average ended with a gain of 15.43 points at 3,264.98, surpassing

ing a \$3.4 billion charge to cover the cost of an extensive reorganization. "The charge clears the deck and positions IBM for better earnings growth," said Alfred Gold-

Healthcare and drug stocks, which slumped 7 percent on average this week, advanced the most Friday as demand increased on prospects that these groups will report the most consistent earnings growth.

Seagate Technology, the most active stock in U.S. composite trading, surged 1% to 134 after the company reported surprisingly strong quarterly earnings of 17 cents a share.

Apple Computer, the second most heavily traded stock, jumped 2.64 percent on a better than expected earnings report. The personal computer maker said it earned \$1.36 a share in the quarter ended Dec. 30.

N.Y. Stocks

Wednesday's record of 3,258.50. It was the seventh record close for the 30-stock Dow index this year.

Volume was heavy at 286.3 million shares on the New York Stock Exchange, but below the 336 million on Thursday. Advancing issues surpassed decliners by a 9-to-8 margin.

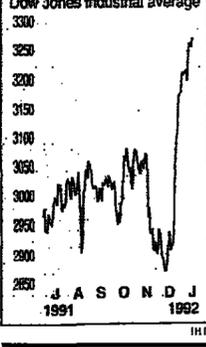
"It's been absolutely incredible," said Ron Doran of C.I. King & Associates. "I still find that there are buyers around out there."

The volatile session was highlighted by computer-driven buy orders related to the expiration of stock-index futures and individual stock options.

International Business Machines led the advance, rising 1% to 96%, after the company said it was tak-

The Dow

Daily closings of the Dow Jones industrial average



J A S O N D J 1991 1992

Dow Jones Averages

Table with columns: Index, Open, High, Low, Close, Change. Includes Industrial, Transportation, Composite, and S&P 500.

Standard & Poor's Indexes

Table with columns: Index, High, Low, Close, Change. Includes Industrials, Utilities, Finance, and S&P 500.

NYSE Indexes

Table with columns: Index, High, Low, Close, Change. Includes Composite, Industrials, Transportation, Utilities, and Finance.

NASDAQ Indexes

Table with columns: Index, High, Low, Close, Change. Includes Composite, Industrials, Transportation, Utilities, and Finance.

AMEX Stock Index

Table with columns: Index, High, Low, Close, Change. Includes Composite, Industrials, Transportation, Utilities, and Finance.

Dow Jones Bond Averages

Table with columns: Index, Close, Change. Includes 30 Bonds, 10 Utilities, and 10 Industrials.

Market Sales

Table with columns: Index, Volume, High, Low, Close, Change. Includes NYSE, AMEX, and NASDAQ.

S&P 100 Index Options

Table with columns: Index, Call, Put, Change. Includes various call and put options for the S&P 100.

EUROPEAN FUTURES

Table with columns: Index, High, Low, Close, Change. Includes SUGAR (FOX), COFFEE (FOX), and WHITE SUGAR (Mott).

GERMAN GOVERNMENT BOND (LIPFFE)

Table with columns: Index, High, Low, Close, Change. Includes various German government bonds.

Industrials

Table with columns: Index, High, Low, Close, Change. Includes various industrial futures.

Stock Indexes

Table with columns: Index, High, Low, Close, Change. Includes FTSE 100 (LIPFFE) and S&P 500 (LIPFFE).

Spot Commodities

Table with columns: Index, Today, Prev. Includes various spot commodities.

N.Y.S.E. Odd-Lot Trading

Table with columns: Index, Today, Prev. Includes various odd-lot trading data.

Dividends

Table with columns: Company, Dividend, Yield, Payout Ratio. Lists various companies and their dividend information.

U.S. FUTURES

Table with columns: Index, High, Low, Close, Change. Includes various U.S. futures.

Grains

Table with columns: Index, High, Low, Close, Change. Includes various grain futures.

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U.S. / AT THE CLOSE

Microsoft Earns 90 Cents Per Share — Microsoft Corp. on Friday reported higher-than-expected second-quarter earnings of \$175.2 million

NASDAQ to Launch Extended Hours

NEW YORK (Reuters) — The National Association of Securities Dealers, the group that oversees the over-the-counter market, will launch an extended-hours trading system on Monday that is intended to attract U.S. and European institutional investors.

Phibro Loss to Cut Salomon Income

NEW YORK (Reuters) — Salomon Inc. said Friday it expected a fourth-quarter loss of about \$30 million, which would reduce full-year net income to slightly over \$500 million.

Inland Takes Charge for Job Cuts

CHICAGO (Reuters) — Inland Steel Industries Inc. took a \$215 million restructuring charge in the fourth quarter to cover a 25 percent loss in its work force over the next several years and the closing of some facilities.

For the Record

Kellogg Co. reported fourth-quarter earnings of \$118.2 million, up 8.9 percent from \$108 million a year ago, on sales of \$1.45 billion. For the year, Kellogg earned \$606 million, or \$2.51 a share, compared with \$502.8 million, or \$2.08 a share, in 1990. (AP)

AIR: French Designs on U.S. Firms

(Continued from first finance page) cign company to gain control of weaponry LTV makes such as ground-to-ground missiles, anti-tank weapons and an anti-aircraft and antimissile defense system.

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TRADE: U.S., Japan Curb Dollar

(Continued from page 1) \$3.57 billion from \$6.32 billion in October, the Commerce Department reported. The gap was the smallest since the \$2.8 billion recorded for March 1983.

Exports in November rose 0.9 percent to \$37.46 billion while imports dropped 5.5 percent to \$41.03 billion. It was that figure that re-

Foreign Exchange

flected the slow economy and started the dollar slipping down. Further evidence of the U.S. economic stall arrived Friday in a government report on industrial production in December, which fell 0.2 percent, and one from the University of Michigan's monthly survey showing consumer confidence faltering in January.

"The trade and production statistics show that the economy was weak at the end of the year, and the confidence figures show that it didn't get any better in January," said David Wynn of DRI/McGraw Hill.

The import figures are part of the pattern spotted in the pre-Christmas retail trade, where sales continued satisfactorily in late summer and early autumn and then suddenly collapsed in October, leaving the pipeline full of pre-Christmas imports. In November, retailers slashed imports, and that showed up in the trade figures.

In the trade report, export gains were concentrated in capital goods, and food. Mr. Wynn said that although the Japanese and German economies were slowing down,

Inflation Rises to 4.5% in Britain

LONDON — Britain's annual inflation rate rose to 4.5 percent in December from 4.3 percent in November, the government announced Friday. But the Treasury said the government remained confident it would fall to 4 percent by the end of 1992.

A Treasury spokesman said December's rise was "more than accounted for by special factors," including the fact that in the comparison month, December 1990, there had been a sharp fall in oil prices as well as cuts in mortgage rates. Retail prices seasonally adjusted rose 0.1 percent in December from November, when prices rose 0.4 percent from the previous month, the Central Statistical Office said.

Analysts said inflation would be controlled as wage increases and price rises are checked by the recession. (AP, AFP, Reuters)

WORLD STOCK MARKETS

Agence France Press, Jan. 17

Table with columns: Market, Index, High, Low, Close, Change. Lists various international stock markets including Amsterdam, Brussels, Frankfurt, London, Milan, Madrid, Sao Paulo, Singapore, Zurich, Tokyo, and Toronto.

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Large vertical advertisement on the right edge of the page, featuring the word 'Russia' and other text, partially cut off.

EUROPE

Russian-Italian Idyll Fades

A Month After Yeltsin's Visit, Ventures Are Stalled

By P. K. Semler
Special to the Herald Tribune
MILAN — A month after President Boris N. Yeltsin came to Rome to drum up support and business for the troubled Russian economy, few positive results of his visit remain.

Addison Consultancy of U.K. to Buy Maxwell Media Research Business

£48 million, was the biggest company in a national market worth £260 million in 1990, according to the industry's research body.

LONDON — Insolvency experts on Friday struck the biggest deal so far in the breakup of Robert Maxwell's empire, agreeing to sell his British media research business for an undisclosed sum.

Investor's Europe

Table with columns for Frankfurt DAX, London FTSE 100 Index, Paris CAC 40. Includes line graphs for each index from 1991 to 1992 and a table of exchange rates.

Austrian Banks to Forgive Soviet Debt

VIENNA — Austria's biggest banks are preparing to write off large chunks of the money they are owed by the former Soviet Union, spokesmen said Friday.

DEAL: Doing Business in Too-Free Russian Markets

(Continued from page 1)

\$100 million to construct a modern appliance factory that will not generate revenue for a year.

Very briefly:

- Bouygues said its Dragages & Travaux Publics subsidiary has won a contract worth 850 million Hong Kong dollars (\$110 million) to rebuild a sports stadium owned by the Hong Kong Jockey Club.

CHINA: After Deal, Hong Kong Remains Cautious

(Continued from first finance page)
China is sincere about joining GATT, most observers believe it is, it will have to prove it can protect intellectual property.

FDA Report Hurts Fisons Stock

LONDON — The stock of the troubled British pharmaceuticals group Fisons PLC fell further on Friday over reported U.S. criticism of the way it makes the asthma drug Tilade, its major hope for the future.

NASDAQ

Friday's Prices
NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

Large table of NASDAQ stock prices with columns for stock symbols, prices, and volume.

China, in Shift, Allows U.S. Firms To Compete in Shipping of Cargo

By Sheryl WuDunn
New York Times Service

BEIJING—China has agreed to allow two American companies to compete directly with Chinese rivals in shipping the nation's cargo, resolving a long-standing dispute over market access.

The Chinese concession Thursday is expected to facilitate trade with China and perhaps reduce transportation costs. It also marked the first time that foreign companies will operate wholly owned subsidiaries in China's transportation business and directly compete with Chinese rivals.

China will still maintain full control over trucking operations to transport goods within the country, despite American demands that they be allowed to operate their own trucking services.

The decision coincided with unrelated trade talks in Washington, in which a deal has been struck on protection of intellectual property.

China's decision could avert a possible upward spiral of retaliatory measures that ultimately might have affected as much as half of the total two-way trade, estimated to be about \$24 billion last year.

"The company is very pleased," said Gary D. Gilbert, a Hong Kong-based vice president of Sea-Land Service Inc., a CSX Corp. subsidiary and one of the two American carriers granted approval to conduct business in China without Chinese agents.

The other is American President Lines Ltd. "We're free traders," Mr. Gilbert said. "We're in the business of moving commerce between countries and the more free trade there is the better we like it."

Limited access to the Chinese market has been a major complaint of American companies and trade negotiators. The maritime dispute was reportedly raised by Secretary of State James A. Baker 3d during his visit to Beijing in November. It apparently was not directly linked to other trade issues.

"In so far as the individual negotiations, it is mandated, but when looking at things like the attitude in Congress, it becomes one more log in a big fire," said a foreign businessman involved in trade between China and the United States. "It's all part of what we feel are barriers to market access."

China had effective control over the flow of goods into and out of the country, requiring American carriers to work solely through two Chinese booking agents, who in some aspects of the business were their direct competitors. In contrast, Chinese carriers were free to operate relatively openly in the United States.

In July, the U.S. Maritime Commission began an investigation into the treatment of American shipping companies in China. If the commission had determined that China indeed was unfairly restricting access, it could have imposed a charge of \$1 million on each Chinese vessel that called at an American port. The Chinese side could also have retaliated with corresponding measures.

Presumably to avoid such stiff penalties as well as an ensuing trade war, China agreed to loosen its restrictions and allow two American shipping companies to establish subsidiaries and operate branch offices in China.

Half of all trade between the countries is carried by Chinese or American ships and would have been affected by the dispute, while the remainder is hauled on ships of third countries.

Sea-Land handles about 13 percent of the trade between the United States and China and American President holds about 10 percent of the market.

A basic understanding on the issue was reached by American and Chinese negotiators in October, but there were further disputes. It was only Thursday that the two American companies received approval to establish subsidiaries that could directly compete in China.

Nissan Raises U.K. Investment

It Will Build 2d Model to Meet 'Brisk' European Sales

TOKYO—Nissan Motor Co. Japan's second largest automaker, said Friday it would invest 45 billion yen (\$359 million) and begin production of a second model line at its British factory.

Nissan said demand was "brisk" for the Primera, which had been "enthusiastically received by consumers in countries throughout Europe. We are replacing exports to produce cars in the EC." By putting a "Made in Europe" sticker on the products, Nissan hopes to satisfy the EC Commission in negotiations on access for Japanese cars to the European market.

But the increased production by Nissan, which also makes 80,000 commercial vehicles a year in Spain, will not have such a large impact on Europe, a Nissan spokesman said, referring to an agreement last year between Tokyo and Brussels. Under that accord, Japanese carmakers have agreed to limit exports to Europe but not local production starting in 1993.

Nissan Motor Manufacturing U.K., which already builds the Primera model at its plant in Sunderland, plans to build 35,000 subcompact cars in the new model line this year, with production slated to start in the summer, the company said.

A Nissan official said annual production would be increased to 150,000 passenger cars a year eventually.

The company also announced plans to boost purchases of European car parts to £850 million (\$1.5 billion) next year, more than twice last year's level, and expand sales in Britain by increasing the number of Nissan dealers.

Supplying components to Japanese car plants could safeguard the jobs of thousands of employees in the West Midlands area, once the industrial heartland of England and now one of the areas with the highest number of unemployed. "This is of course tremendous news for the entire industry," said Don Hyatt, spokesman for Lucas Industries PLC. (AP, AFP, Reuters)

Sansui Expects 36 Billion Yen Loss

TOKYO—Japan's Sansui Electric Co. said Friday that it expected to report a net loss of 36 billion yen (\$283 million) for 1991, almost twice its earlier forecast.

The troubled audio maker, whose biggest shareholder is a company that is led by Stanley Ho, the Macao casino tycoon, revised its sales forecast for the calendar year down to 21.5 billion yen. That was 17 percent below an earlier projection.

Sansui, which used to be controlled by the failed British conglomerate Polly Peck International PLC, said that the bigger-than-expected loss reflected the poor state of the audio market, high inventory levels and intense competition.

The company had hoped to contain losses at 19 billion yen, compared with the previous year's net profit of 413 million yen.

Decision by March on GM-Daewoo Split

SEOUL—A decision on the break-up of General Motors Corp.'s joint venture with Daewoo Motor Corp. is expected by March, a Daewoo spokesman said Friday.

"Executives from both companies are talking about either a full or partial sale of GM's stake to Daewoo ahead of the expiration of

the seven-year contract," he said in a telephone interview, confirming a statement by a GM spokesman in Detroit on Thursday.

"The result is expected to be announced in March," the Daewoo spokesman said.

The 50-50 joint venture was launched in 1986 to produce LE

Mans sedans based on GM's German-made Opel Kadette.

Relations between the partners were strained by the export by Daewoo of 3,000 vehicles to Czechoslovakia in 1989. GM markets the Kadette, produced by Adam Opel AG of Germany, and it regards Opel as its territory.

Investor's Asia

Hong Kong Hang Seng		Singapore Straits Times		Tokyo Nikkei 225	
4650	1500	2750			
4400	1500	2500			
4150	1400	2250			
3900					
3650					
1991	1992	1991	1992	1991	1992
Exchange Index	Friday Close	Friday Close	Prev. Close	% Change	
Hong Kong Hang Seng	4,454.89	4,412.14	4,412.14	+0.97	
Singapore Straits Times	1,532.51	1,529.05	1,529.05	+0.23	
Sydney All Ordinaries	1,673.50	1,673.50	Unch.		
Tokyo Nikkei 225	21,321.37	21,612.19	-1.95		
Kuala Lumpur Composite	568.65	569.23	+0.07		
Bangkok SET	770.83	742.99	+3.75		
Seoul Composite Stock	616.72	610.19	+1.07		
Taipei Weighted Price	5,045.94	5,022.96	+0.48		
Manila Composite	1,303.30	1,276.79	+2.08		
Jakarta Stock Index	257.25	249.81	+0.58		
New Zealand NZSE-40	1,504.93	1,517.77	-0.85		
Bombay National Index	N.A.	933.94			

Sources: Reuters, AFP. International Herald Tribune.

Very briefly:

- Daihatsu Motor Co. will boost passenger car production in China to 25,000 units in 1992, up 80 percent from last year, a company spokesman said, adding that the total China output of the affiliate of Toyota Motor Corp. would rise to 36,000 vehicles.
- Japan Travel Bureau, the country's largest travel agent, said Japanese travelers abroad in 1992 are expected to increase by 13.7 percent to around 12 million, while spending expands 10.7 percent to around 5.3 trillion yen (\$41.6 billion).
- Taiwan's trade with Eastern Europe and the former Soviet republics soared 56 percent last year, officials and businessmen said.
- Sony Corp. introduced an ultra-small tape recorder called the "Scopman" that uses tapes that are about the size of a postage stamp.
- Hyundai Motor Co. workers occupying South Korea's largest auto plant clashed with managers who used to enter gates barricaded with cars, fire trucks and tires, and about 10 managers were hospitalized.

AFP, Reuters, Bloomberg, AP

AMEX

Friday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

Stock	Div	Yield	PE	High	Low	P.A. City
IBM				125 1/4	125 1/4	
Microsoft				68 3/4	68 3/4	
Apple				55 1/4	55 1/4	
Oracle				45 1/4	45 1/4	
Novell				35 1/4	35 1/4	
Intel				25 1/4	25 1/4	
Motorola				15 1/4	15 1/4	
Texas Instruments				10 1/4	10 1/4	
Advanced Micro Devices				8 1/4	8 1/4	
AMD				7 1/4	7 1/4	
ATI				6 1/4	6 1/4	
Conquest				5 1/4	5 1/4	
Chips				4 1/4	4 1/4	
Chips				3 1/4	3 1/4	
Chips				2 1/4	2 1/4	
Chips				1 1/4	1 1/4	
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Stock	Div	Yield	PE	High	Low	P.A. City
IBM				125 1/4	125 1/4	
Microsoft				68 3/4	68 3/4	
Apple				55 1/4	55 1/4	
Oracle				45 1/4	45 1/4	
Novell				35 1/4	35 1/4	
Intel				25 1/4	25 1/4	
Motorola				15 1/4	15 1/4	
Texas Instruments				10 1/4	10 1/4	
Advanced Micro Devices				8 1/4	8 1/4	
AMD				7 1/4	7 1/4	
ATI				6 1/4	6 1/4	
Conquest				5 1/4	5 1/4	
Chips				4 1/4	4 1/4	
Chips				3 1/4	3 1/4	
Chips				2 1/4	2 1/4	
Chips				1 1/4	1 1/4	
Chips				1/4	1/4	

Stock	Div	Yield	PE	High	Low	P.A. City
IBM				125 1/4	125 1/4	
Microsoft				68 3/4	68 3/4	
Apple				55 1/4	55 1/4	
Oracle				45 1/4	45 1/4	
Novell				35 1/4	35 1/4	
Intel				25 1/4	25 1/4	
Motorola				15 1/4	15 1/4	
Texas Instruments				10 1/4	10 1/4	
Advanced Micro Devices				8 1/4	8 1/4	
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ATI				6 1/4	6 1/4	
Conquest				5 1/4	5 1/4	
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Chips				2 1/4	2 1/4	
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Chips				1 1/4	1 1/4	
Chips				1/4	1/4	

Stock	Div	Yield	PE	High	Low	P.A. City
IBM				125 1/4	125 1/4	

THE REPORT

Best and Worst Fund Sectors

Value of \$100 Invested Jan. 1, 1991
Income reinvested.

FIRST COLUMN
Big 3 Woes:
Time to Get
Revved Up

Health Care Funds
Led the Pack in '91
In U.S., Revenge of the Junk Bonds

By Conrad de Aenlle

THE shrill cry from U.S. auto executives that Japan open its market to them belies their fear of not being able to compete in the market that matters most—the United States.

Despite a dollar that's worth half as many yen as in 1985, making the price of Japanese goods more expensive, Detroit's Big 3 have steadily become the Smaller 3 in their own country, losing their share of a market that last year was smaller, in total, than in 1983.

That's why it's unfair to blame the malaise in the American auto industry on Japanese trade policies or corporate cartels that favor doing business with other Japanese companies over foreign ones. There are no barriers, after all, to selling American cars in the United States, and yet General Motors, Ford and Chrysler are having a hard time doing it.

If those Americans who demand that the rest of the world buy their products—and then drive home in Hondas and watch TV on a Sony—won't buy American, even when it's cheaper to do so, how can they expect anyone else to?

It's doubtful that American carmakers really expect—or want—to sell more cars in Japan, even without trade impediments. Japan is not geared toward driving the way the United States is; fuel is expensive, parking is impossible in larger cities. Bigger American cars are impractical for most Japanese.

That's why the announcement that Japanese carmakers will make greater efforts to sell American models at their dealerships seems little more than a gesture of graciousness to President George Bush and the auto executives who accompanied him to Japan, especially considering Americans' distaste for their own cars.

A token gesture might be all the American manufacturers really want. For if the Japanese market were opened and they still couldn't sell their cars there, they would have to confront an ugly truth: They are selling fewer cars and losing market share because the quality of their cars is perceived as inferior to that of Japanese cars.

Having a trade war and an outside enemy allows them to put off facing the enemy within, and it lets them enlist the aid of Congress and an administration that might be disposed to impose punitive tariffs or quotas on Japanese carmakers. That would be a short-term, and a shortsighted, solution.

Until Detroit starts making cars that run better and look better, no gesture from Japan, or from American lawmakers, will reverse the U.S. auto industry, and none should be expected. A good start for U.S. carmakers, which for 20 years have chased trends in manufacturing and marketing at glacial speed rather than set them, would be to devote more of their resources to research.

Another would be to end the adversarial relationship with labor, which does not exist in Japan. Studies have shown that the highest productivity is achieved using American workers and Japanese management techniques. U.S. carmakers can get all the help they need from their Japanese rivals by traveling the same route and not trying to run them off the road.

HEALTH care and biotechnology funds ended 1991 in peak condition. High-yield bond funds lived up to their name, and the U.S. small-company growth sector was one of the biggest winners in a big year.

Not so, the energy service and precious metals and mining groups, which succumbed to lower oil and metal prices. Putting money down a hole in the ground last year was like putting money down a hole in the ground. It was also like putting money in Japan and some European countries, where stocks performed drearily. Better places to invest were Latin America and the United States.

U.S. equity funds rose 30.65 percent in 1991, according to the research firm Micropal, which compiled all the data for this report. That was about the same as the Standard & Poor's 500 index and far more than the average American money market fund, which was up 5.88 percent. Of the equity and bond sectors of nine large and small fund markets for which statistics were available, the U.S. stock group was by far the best performer.

The next-best equity market was Britain, with a total return of 13.54 percent, when stated in dollars for comparison's sake. The Irish and offshore markets were close behind, and five Continental European markets did somewhat worse, the weakest being Germany, with a total return of 1.34 percent. No figures were available for Japan.

German funds, and to an extent those across Europe, were dragged by the weak German stock market, which had a total return of just 11.25 percent, measured by the DAX index. Growth in German shares was hampered by stubbornly high interest rates, as the Bundesbank moved to keep inflation in check after unification. The tight money policy also kept a lid on bond prices in the European Community countries linked by the Exchange Rate Mechanism.

Belgium came in last in bond and income funds, with a gain of 6.41 percent. The six Irish fixed-income funds did the best in Europe, rising by 12.31 percent. Offshore and British funds were just behind, up 11.08 and 10.66 percent, respectively.

The best around the world paled next to the United States, just as with equity funds. The U.S. bond sector rose 18.03 percent, helped by falling rates, as the U.S. economy remained weak and inflation low.

The big news in American bond funds last year was the high-yield, or junk, group. Twenty-nine of the 30 best performers were junk funds. The sector was up 36.67 percent.

The reason junk did so well last year was that prices were so depressed when the year started, said Chris Molunphy, who co-manages the Franklin fund family's Age High-Income Fund, which returned 47.43 percent.

"The market was extremely undervalued at the beginning of the year," he said, because the public was expecting a large number of defaults due to the catatonic economy. Also, there was panic selling after insurance companies and savings and loans were ordered to divest their junk portfolios.

Defaults rose, as expected, to an estimated 8 or 9 percent of the total junk debt—bonds

with a rating below triple B—but yet prices rose. Mr. Molunphy said, because investors tend to project into the future. That future is one of economic rebound, or at least that is the prevailing attitude.

Despite the leap in junk, stocks were still the best way to invest in 1991. The key to having the best equity returns was to think small. Funds that invest in smaller companies, the emerging health and biotech sector and the fledgling Latin American markets were standouts.

Seven of the 30 best funds worldwide were small-company funds. All seven invest in the United States, where the over-the-counter market of smaller issues outdistanced the shares of established, larger-capitalization companies last year.

Of the 30 best U.S. funds, in fact, 11 were in the small-company sector: 13 of the top 30 in Britain and five of Luxembourg's best were small-company funds, too, but all of them invest in U.S. companies.

The 83 U.S. small-company growth funds were up 51.35 percent for the year, those in Britain rose 20.43 percent, and offshore small-company funds gained 16.95 percent, outperforming equity funds in general in their respective markets.

As well as small-company funds performed, they could not come close to the health and biotech sector, which was up a phenomenal 74.32 percent in the United States. The three offshore health funds rose 59.92 percent.

Five of the nine U.S. health funds that were in business all year made the list of the world's 30 best. Two Luxembourg health funds were in the top 30; so was the best British fund, Framlington Health, which gained 99.16 percent, good enough for fourth place.

The best health fund was Oppenheimer Global Bio-Tech, which had a total return of 121.13 percent. Ken Oberman, the fund's manager, attributes his success to a disciplined approach that keeps him only in the stocks of biotech companies—those that derive half their sales in that field—and away from other health sectors that have not performed as well.

That strategy gave the fund spectacular returns, but only for those shareholders who were in it before the doors were slammed shut last spring. The problem is there are not that many good biotech companies around, and with the fund as hot as it was, there was a lot more money coming in than could be prudently invested.

"That's why we closed the fund," he explained. "We have to put the money to work and get it going before we can open it to other money."

One other sector where money is being put to work quite well is Latin America. Three of the world's 10 best funds invested there, including Schroder Latin American, an offshore fund ranked No. 1 with a total return of 121.47 percent. Another offshore fund, Genesis Chile, gained 109.53 percent, and the Luxembourg-registered Brazilian Investment Fund gained 90.21 percent.

Schroder Latin American had to cope with a steady flow of cash from investors, just as did Oppenheimer Global Bio-Tech and other funds with a limited universe of investment prospects. The Schroder fund started around Christmas 1990 with \$6 mil-

United States		Luxembourg	
Avg. money market	106.85	Avg. money market	107.81
Avg. equity fund	130.65	Avg. equity fund	110.28
Avg. bond and income	119.03	Avg. bond and income	109.88
Best Performing		Best Performing	
Equity US Health	174.32	North American Equity	127.61
Equity US Financial Sector	158.14	Australian	125.29
Equity US Small Co Growth	151.35	For Eastern Country Funds	119.50
Equity US Technology	143.85	Japan Flexi Invest	118.12
Equity US Aggressive Growth	139.20	Far East & Pacific (excl. Japan)	115.81
Worst Performing		Worst Performing	
Equity US Gold	95.63	Derivative Investment	84.31
Equity Foreign Japan	101.79	Real Estate	102.05
Equity US Natural Resources	103.89	Commodity & Nat. Resources	102.08
Equity Fgn European	105.52	Europe	102.14
Ty Bgl Global General	106.52	UK Bond	102.64
Overall			
Best Performing		Worst Performing	
Schroder Latin American	E G 221.47	Yamaha Equity Warrant Fund (ml)	W 39.71
Oppenheimer Globe Bio Tech	H 221.13	Commanget Indonesian Growth	E G 44.37
Genesis Chile	E G 206.23	Gardiner Japan Warrant	W 49.14
Framlington Health	E G 199.16	JF Pacific Warrant	W 50.80
CGM Capital Development	E G 198.05	Invesco Mid Highport Warrant	W 51.13
Flexity Select Medical	H 198.05	Adesa (E.G.) Japan Warrant	W 51.78
Manorway Small Cap Fund	S C 198.75	Crosslink Equity Warrant (Eur.)	W 52.88
American Heritage Fund	Spa 196.89	Cresvite Equity (Lap.)	G S 53.13
Financial Strat-Health SC	H 191.78	Fortes Gold Appreciation	E G 58.50
Brazilian Investment	E G 190.21	Credit Lyonnais Indonesian G	E G 58.60
Berger One Hundred Fund	E G 188.81	Tyndall Commodity	Com 62.07
United New Concepts Fund	S C 188.28	Fleeting Japanese Warrant	E G 63.71
MFS Lifetime Emerg. Growth	S C 187.82	Thornion New Tiger Indonesia	E G 63.24
Pulsam Emerging Health Stocks	H 187.62	Gulfstream F(GS) ASEAN	E G 65.71
Cherwin Emerging Growth	H 187.24	CSBZ CIF Indonesia-Philippine	E G 65.98
TSB Off Pn American	E G 186.88	State Currency Hedge II	Mgd 66.10
Twinleaf Cent Ultra	Spe 186.45	Alpha Short	Sp 67.01
Twinleaf Cent Growth	E G 184.91	Fortes Gold Income	G S 67.41
Fidelity Select-Health	H 183.89	Invesco Mid European Warrant F	W 70.00
Canaan North American	E G 182.80	Loyche IF Warrant	E G 71.25
Fidelity Select-Growth	F 182.26	Kanazawa Psn Invest (ml)	Mgd 72.41
HL Samuel US Smaller Cos	S C 181.46	Deo Ming Asia	E G 72.04
Franklington American Smaller Cos	S C 179.42	Strategic Gold/Minerals	Sp 72.58
Kaufmann Fund	S G 178.40	MGM Special Situations Growth	E G 73.29
Fidelity Select Medical	H 177.83	Share Italy	E G 73.29

Source: Micropal

lion in assets. That has grown to nearly \$30 million. But Robert Davy, manager of the fund, said that was more of a help than a hindrance.

"We have a steady flow of funds into the fund, so we make asset allocation decisions regularly," he said. Most of those decisions proved right. The fund had been heavily weighted in Argentina, the best Latin American market in 1991, then in November it made a big bet in Brazil, which quickly paid off as Brazilian shares surged.

Schroder has representatives in key Latin American countries, Mr. Davy said. "One has to be constantly in touch with what's happening in each country" to invest wisely, he said.

Of course, being constantly in touch with what's happening in each country is not an easy task. Ask anyone who manages a fund that invests in Japan, especially its warrant market. Funds that buy Japanese warrants were among the more conspicuous losers in 1991.

Warrants are highly leveraged instruments that were designed, basically, to provide businesses with free money, or close to it. A company would float a bond issue, but instead of borrowing at market rates, it would issue warrants convertible into the company's shares at prices thought to be favorable at the time.

Great idea, except the Tokyo stock market has collapsed over the last two years, so many warrants are losing value. Warrant funds are not doing much better.

Six of the eight worst performers last year are warrant funds, all based in Luxembourg or offshore. (Luxembourg is regarded as an offshore investment market because of its tax-haven status, but Micropal keeps Luxembourg funds separate from those of other offshore jurisdictions in its data bases.)

The losses were substantial. The last-placed Yamato Equity Warrant Fund lost 60.29 percent. The other five had losses that clustered around 50 percent. Several other warrant funds, mainly investing in Europe, also made the bottom 30.

Warrant funds are primarily an offshore phenomenon. Energy and precious metals and mining funds are everywhere, and they performed poorly all over the world.

Energy and natural resources funds rose a paltry 3.80 percent in the United States, fell 4.70 percent offshore and dropped a hefty 12.50 percent in Britain. If it's any consolation to British energy fund managers and their shareholders, they beat out the country's worst sector, property, which fell 14.68 percent, dragged down by the sagging London real estate market.

Precious metals and mining funds were pulled lower by falling gold bullion prices, off about 10 percent in 1991, and by lower prices in base metals. Still, British gold funds managed a 2.35 percent gain, but offshore metals funds were off 6.14 percent.

The group lost 1.70 percent in the United States, but because the U.S. fund industry did so well overall, the sector's performance seems especially poor. In fact, it includes 10 of the 11 worst U.S. funds and 25 of the bottom 30.

Mr. Oberman, who reached great heights with the Global Bio-Tech Fund, was brought back to earth by another fund he manages, the Oppenheimer Gold & Special Minerals Fund. Its performance last year was nothing special, about break-even, he said.

Gold used to be a play against inflation or a falling dollar, neither of which is a problem now. The public needs to find another reason to start buying.

"We're searching out the situation to try to find what we can use," Mr. Oberman said. "We hope we can find one. There may be no answer." He added that gold is "not acting the way all the gold bugs said it would act" in the face of international uncertainty, of which there was a lot last year.

His hope is that supply has peaked and that demand for gold will pick up when the U.S. economy does. Prices of industrial metals, which the fund also buys, have been depressed and should bottom out this year, he said.

Of the persistently weak metals markets, he said, "There's always an end in sight, it's just a matter of how far off it is." He is more optimistic about his biotech fund.

"We think we'll be able to outperform the averages" this year, he predicted. "We have a number of companies in the fund whose earning power is already established." Cash in the fund will be used to buy shares in newer companies that he hopes will be tomorrow's stars.

Mr. Davy is cautiously optimistic, too. It's hard not to be when a fund more than doubles in a year. In the first week of 1992, he said, the fund was up about 8 percent.

"One can't really trade on a short-term basis," he warned, because of the volatility of Latin American markets. Yet, "At the moment the prospects of 1992 look very good. These markets are going to continue to have money pouring into them."

He added that "valuations are still reasonable," with Chilean stocks trading at 15 times expected 1991 earnings and Mexican stocks at 13 times. The U.S. market, which has nowhere near the growth potential, is trading at roughly twice those ratios.

Mr. Molunphy of Franklin thinks high-yield bonds are priced reasonably, too.

"Currently, they're fairly valued," he said, although "obviously they appreciated demonstrably in '91." A rebounding economy would help the sector, but "if the economy were to continue muddling along or worse, that would negatively impact the market."

He is telling shareholders to expect good returns, but he doubts they will match those of last year. Still, he added, "I didn't expect it at the start of '91."

1992

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1991 a Record Year For Equity Funds

Last year will likely prove to be the best ever in the United States for equity funds by one critical measure: attracting investors' money. Equity funds had a net cash inflow through November of \$34.84 billion, according to the latest figures compiled by the Investment Company Institute, the American fund industry group.

"The first 11 months are already stupendously the best year for equities, better than all of any year," said Betty Hart, an ICI spokeswoman. The best full year was 1986, when stock funds took in a net \$25.89 billion.

Net cash inflow in November was \$3.6 billion, compared with \$5 billion in October and \$1.5 billion in November 1990. Last November was a bad month for the stock market, chilling the affections investors had shown for equity funds all year. The market rallied explosively last month, so the flow into funds should have risen.

Bond and income funds probably will end up recording their second-best year. Through November they had taken in \$78.08 billion, the ICI said, a pace below the record of \$118.58 billion in 1986, the last major peak in bond prices. Bond funds brought in \$8 billion in November, compared with \$10.9 billion in October and \$2.4 billion in November the year before.

Fidelity Offers Fund In Short-Term Rates

Fidelity Investments, the world's largest funds management company, has a new no-load offering called the Short-Term World Income fund, that aims to take advantage of the comparatively high interest rates available outside the United States.

With rates on short-term debt instruments, such as Treasury bills, pitifully low (around 4 percent) in the United States, an increasing number of American fund companies are looking abroad for higher yields, and investors are going with them. This fund sector, which barely existed two years ago, has become one of the hotter ones in the industry, thanks to short-term rates that top 9 and 10 percent in many European countries.

The minimum investment in the Fidelity fund is \$2,500, or \$500 for retirement plans, and shareholders can write free checks on their account balances. Further information is available in the United States by calling 1 (800) 544-8888.

Channel Islands Firm Starts Fund Service

Cater Allen Financial Services, an investment firm in Jersey, Channel Islands, has begun marketing fund and portfolio management services for overseas clients.

The fund service, which has a minimum investment of £25,000, or about \$46,000, offers a choice of three portfolios: international growth, fixed income or one combining the two.

The management service requires an investment of at least £100,000, which can be placed in international share, bond or other call 44 534 78898 inside Britain, or 0534-78898 inside.

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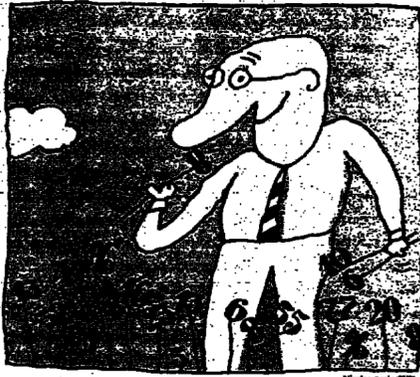
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THE MONEY REPORT

In a Gloomy Marketplace, a Good Stockpicker Is Worth His Gilt-Edged Weight

By Rupert Bruce

WITH THE prospect of many stock markets expected to be bleak this year, the importance of picking the stocks that will track a stock market index...



around 10 percent last year as it became evident that European economies were slowing. The broker Barclays de Zoete Wedd expects Continental Europe to achieve economic growth of 1.7 percent this year...

fund, a British mutual fund called the Fidelity European Fund, still has an outstanding record over the last five years, \$100 invested for the course of 1991 would have been worth only \$94.50.

Yet, not all investment managers are so-called stockpickers. Many use sophisticated computer software to choose a small selection of stocks that will track a stock market index.

theories the performances of many funds stand or fall. A true stockpicker treats those techniques with disdain. He screens companies in industries he favors with an array of financial ratios...

to be in the market that is booming than in the best stocks. Certainly, some of the world's stock markets have been dull over the last few years. The Japanese market, measured by the Nikkei Dow Index, fell off a cliff in 1990...

The sustained rise of Mr. Pulsford's fund illustrates how good stockpickers can buck falling markets. According to Micropal, \$100 invested in the Morgan Grenfell Japan Smaller Companies fund at the end of 1989 would have been worth \$264.50 by the end of 1991.

Mr. Bolton largely blames the bad performance of small and medium-sized European companies compared with their bigger brethren. In his search for cheap companies he often buys the less well-researched smaller firms.

U.S. Exchanges to List Biotech Indices Options

THE Chicago Board Options Exchange and the American Stock Exchange have filed for regulatory approval to list options on indices of American biotechnology stocks, lately the hottest group on Wall Street.

biotech index options will provide retail and institutional investors with... an effective means for hedging the risks of biotech portfolios. Duke Chapman, chairman of the CBOE, said in a statement, "and will offer a low-cost means of repositioning the composition of a broader-based equity portfolio."

But in Europe, one of the most successful stockpickers, Ashby Bolton, has come under attack in the last few years. While his flagship fund, a British mutual fund called the Fidelity European Fund, still has an outstanding record over the last five years, \$100 invested for the course of 1991 would have been worth only \$94.50.

Mr. Bolton largely blames the bad performance of small and medium-sized European companies compared with their bigger brethren. In his search for cheap companies he often buys the less well-researched smaller firms.

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Table of international fund listings including ARACUS FUNDS, INTER STRATEGIE, and various regional and thematic funds with their respective assets and performance metrics.

Table of international fund listings including CORTAL, COMMISSION DES OPERATIONS DE BOURSE, and various global and regional funds.

Table of international fund listings including SEC 100 Index Fund, SEC Bond Portfolio, and various US-based equity and bond funds.

SPORTS

The Posse Steps In to Save Tulane

Once again, The Posse rode to the rescue. Tulane's super reserves reeled off runs of 15-2 and 15-0 Thursday night and helped the 19th-ranked Green Wave remain unbeaten with an 80-60 victory over Virginia Tech in New Orleans.

COLLEGE BASKETBALL

ond-string unit, which he routinely plays for about five minutes. This time, The Posse made its entrance earlier than usual after Tulane fell behind 9-2. A few minutes later, Tulane was ahead 17-11. In the second half, the Green Wave led 45-33 when again it was The Posse's turn. Freshman point guard Pointer Williams sparked a 15-0 spree, with all of the points coming off turnovers caused by Tulane's trapping defense.

Tulane (13-0, 2-0) forced Virginia Tech (7, 1-3) into 29 turnovers, 16 of them steals. No. 2 UCLA 99, Oregon 71: In Los Angeles, Ed O'Bannon played sparingly in his highly anticipated debut for UCLA, and it was Tracy Murray's 21 points that contributed to the Bruins staying unbeaten. O'Bannon, one of the nation's top high school players in 1990, had been unable to play for UCLA (11-0, 3-0) since undergoing major reconstructive surgery on his left knee in October 1991. He played six minutes against Oregon (5-7, 1-2) and scored two points.

Washington 62, No. 7 Arizona 60: In Seattle, Rich Manning made a 15-foot shot with one second left as Washington handed Arizona its second straight loss. The Huskies (8-4, 3-0) led 43-28 early in the second half. Arizona (10-3, 1-2) tied it at 60 on Chris Mills's 3-pointer with 11 seconds left.

No. 14 North Carolina 90, Wake Forest 79: George Lynch scored 26 points on 11-for-13 shooting and visiting North Carolina (12-2, 3-1) beat Wake Forest (8-4, 1-3) for the ninth straight game.

No. 25 Louisville 60, South Florida 47: In Louisville, Kentucky, reserve center Brian Hogwood scored seven points in a 10-0 spree in the second half that led Louisville to its first Metro victory of the season.



The Rangers' Tie Domi battling Calgary's Craig Berube. Both got penalties. New York won, 6-4.

All Stars, and Little Strategy Coaches Take a Back Seat in Annual NHL Face-Off

PHILADELPHIA — Coaching a National Hockey League team demands hard work and strategy. Coaching an All-Star team often demands nothing harder than opening the bench door. "You walk in the dressing room, you see all the talent and you say, 'Go have some fun,'" said Buffalo coach John Muckler, who led the Campbell Conference squad to an 11-5 victory last year. "When you put your team together," he said "you get every guy that can skate fast, everybody that can handle the puck and you don't worry about backchecking. It's as easy as that. And you turn them loose."

Gretzky displayed his skills in 1983, scoring four times in the third period of the Campbell Conference's 9-3 victory. "At that time, we didn't use any strategy. We were trying to get everyone equal ice time," said Rangers coach Roger Neilson, who was coaching the Campbell squad that night. "I had more fun at that All-Star Game. All I did was turn Wayne Gretzky loose." The most common coaching move is to try to keep teammates together. If they're linemates, so much the better. That could give the Wales Conference an edge on Saturday: its starting unit is made up of Pittsburgh Penguins. Minnesota's Bob Gainey, who will coach the Campbell Conference squad, isn't planning a lot of elaborate preparations. "The only thing we have to do is take the list of players and work them into units," he said. "To do that, I'm sure, we'll have to move some players out of their natural positions."

Redskins Huddle Up for Bills' No-Huddle

By Ken Denlinger Washington Post Service

WASHINGTON — The no-huddle offense the Buffalo Bills will run against the Redskins in Super Bowl XXVI is the Grinch of football. It takes away all those player-switching maneuvers called packages. Except — perhaps — this once.

"I think we'll be able to make our substitutions," said the Redskins' assistant head coach for defense, Richie Petitbon. "If our guys are alert and the ball is dead, we have some time to make changes. Maybe we can't pull it off, but we're going in with the idea that we can."

Switch players on the fly? Going to have to, Petitbon says. The no-huddle has been around since leather helmets. The Cincinnati Bengals extended it to the entire game instead of the final two minutes of each half. The Bills have taken what the Bengals started and put it in fast forward.

Because Cincinnati's offense took time to substitute, the opponent's defense could make every adjustment necessary, said the Redskins' defensive coordinator, Larry Peccatiello. "Buffalo doesn't really need to substitute. It has three wide receivers on the field, and Thurman Thomas can be a wideout. They also keep a tight end in there."

Ideally, the Buffalo no-huddle ought to work best against a defense, such as the matchup-conscious Redskins, which seems to run specialists on and off the field after every play.

The Bills say: We're so fast it's our 11 against your 11. Counters Petitbon: We'll see. The Redskins have an extra week to prepare for Buffalo's no-huddle. That is long enough to determine whether players can hustle from the sideline and be in position to execute precise assignments before the Bills are off and running again.

Or maybe Petitbon is blowing smoke toward Buffalo. Maybe he is being more expansive than usual in hopes that his counterpart with the Bills, offensive coordinator Ted Marchibroda, reads this. The more one coach can get another to think and use up valuable practice time — the better.

"An exhilarating experience, to put your mind-set into that of the offensive staff on the other side," said Peccatiello. "Those three hours Sunday, I don't know if anyone can have any more fun than a football coach. I really love it. After the games are over — and



Marcus Patton (53), James Williams (31) and Al Edwards (85) were huddled up for a Bills' practice.

you win — it's hard for families to understand. They're so excited that you win. They want to celebrate. To you as a coach, it's anticlimactic. You've already had your party."

To start the ultimate party this season, the Redskins' defense is going to have to stop a unique offense that features players — especially quarterback Jim Kelly, running back Thomas and wideout Andre Reed — who would be exceptional in a traditional scheme.

"One of the toughest things about Buffalo's no-huddle is that it wears your defense down," said Petitbon. "You don't have that little grace period."

"We'll have to address that," he added. "We'll have to keep guys fresh."

Hence the inspiration to try to substitute even more quickly. "I would probably rather play a straight-vanilla team," Petitbon said. "This requires the work. But it's probably good. We won't get stale. Or bored. It's a great motivating tool."

The Redskins' defensive coaches are renowned for their adjustments. Last week's rout of the Detroit Lions in the NFC championship game included an example.

"In the second quarter," said Peccatiello, "we were getting hurt by passes to their inside receivers, Mike Farr and Brett Perriman, into a little void area in the intermediate short flat."

"We were trying to get our people to adjust to it when they would get off the field, try to explain how we could counter with a certain coverage. But we didn't get the hang of it until halftime, when we could present it on the board in a controlled atmosphere. We ended up bringing a safety into the area."

Several teams, including the Redskins, are using the no-huddle, at least on a limited basis. The Miami Dolphins, without success, tried to spring it on the 49ers in Super Bowl XIX. There is at least one disadvantage.

"The no-huddle wears out your own defense," said Petitbon, since it is on the field a long time because the offense either scores in a hurry or surrenders the ball in a hurry. "That's one reason the Bills — star-wise — were ranked so low," he added. Buffalo was 27th of 28 teams in defense during the regular season.

running game is very impressive in terms of first downs rushing, average per attempt and number of rushing attempts.

In the regular season, the Bills led the Redskins 128 first downs rushing to 107, and 4.7 yards per attempt to 3.8.

Peccatiello said the Redskins practiced against the no-huddle during training camp. The Cardinals' no-huddle in Week 3 actually was a surprise, he said, even though the Redskins won, 34-0.

Because Kelly will be changing plays at the line of scrimmage many times, Redskins safety Brad Edwards also will be doing a good deal of seat-of-the-pants reacting. Defensive signals start with him and flow through the linebackers.

"There'll be a lot of pressure on me to get everything coordinated," Edwards said. "By this time of the year, I don't think there's a whole lot of situations that could happen that we haven't seen," he added. "We've got calls for everything." Say the Bills really got radical and lined up in a wishbone. Would Edwards have a call? "Yes."

BOOKS

A PEOPLE'S CHARTER: The Pursuit of Rights in America

By James MacGregor Burns and Stewart Burns. 577 pages. \$30. Alfred A. Knopf Inc., 201 East 50th Street, New York, N.Y. 10022.

Reviewed by Alan Wolfe

THERE are at least two reasons why a comprehensive history of rights in the United States ought to appear now. One — of lesser importance — is that the Bill of Rights was incorporated into the U.S. Constitution on Dec. 15, 1791, 200 years ago. The other is that the end of 1991 was also the end of the Soviet Union, the last major vestige of 20th-century efforts to create states based on the proposition that individual rights were dispensable.

James MacGregor Burns and Stewart Burns have written a popular history of rights in America from the 18th century to the present. They retell the story of every group and individual that has sought a modicum of economic security, legal equality and social acceptance. Their book is well-intentioned and well-timed. But that is about all one can say in its defense. For the Burnses have done rights a disservice by equating them with politics — their own politics. They tell the story of rights in the United States as a simple morality play in which their own sense of morality stars.

Anyone who tends to believe that recent critics of political correctness have exaggerated their claims will have to account for a book like this. In the Burnses' story, there are good people: the marginalized, the oppressed, the stigmatized. There are bad people: all those who would deprive the former of their rights. Progress is when the former win. Reaction is when the latter win. The latter have won all too many times, but the struggle will go on. And the reader is not left in doubt about whose side the authors are on. History is rarely that simple, and the history of rights in particular demands nuance and a taste for complexity. Every thorny matter raised by the quest for rights is passed over. To what degree are property rights the basis of other rights? The authors do not like property rights, but without Locke, the right of a woman to control her own body would have far less resonance. What consequences follow from the fact that the struggle of workers, women and minorities to gain rights strengthens the state, when it is the state that usually suppresses rights? The authors respond by asserting the need for national power when used, for example, in wartime. How can rights be balanced by responsibilities? Certainly not by emphasizing individual rights throughout the book only to turn, at the end, to a poorly argued case for "nurturing" and "communal" rights.

knowing which rights are worth protecting and which can be ignored. They care little for those who seek a right to live in peaceful neighborhoods without crime. They dismiss with ill-intended adjectives those who argue for the rights of the unborn. Those who might want to live without what they consider pornography in their community, from their perspective, have no such right. The Burnses want "to think about rights in a wholly new way," one that requires what they call a Great Majority to lead the country. Such a movement, led by women of color, will transform America away from "the liberal individualist paradigm" of "coalitions motivated by narrow self-interest, entailing least common denominators, short-run goals, expedient compromise, and division — not difference — as the organizing principle."

BRIDGE

By Alan Truscott

IN the diagrammed deal, West began with a strong artificial one-club bid, and leaped to four hearts on the next round after a negative response of one diamond and a one-spade overcall from South. North gambled with four spades, hoping either that East-West would continue to five hearts or that the penalty in four spades doubled would not exceed 500. West chose a penalty double, which turned out to be lucrative. West led the spade ace, wishing to see the dummy before he committed himself in another suit. He then cashed the heart ace, and noted that his partner played the eight, high and discouraging. He then cashed the club ace, and saw East play the ten, again discouraging. West cashed the diamond ace, his fourth consecutive ace, and followed with the queen. Then he led a club, and South eventually had to lose another diamond for down three, 800. Notice that if West had failed to make the apparently risky shift to diamonds, South would have done a trick better. After a club lead to the fourth trick, he would have won with the king, throwing a diamond, and ruffed a club. Then he could have employed West with a diamond lead, either immediately or after cashing the heart king and ruffing the heart jack.

Bridge hand diagram showing North, South, East, and West hands with suits and cards.

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